

# GET IT ON TV

## An Interview with Andy McKinley at Lenfest Media Group

© By Stephen Paul Gnass

In just a few decades, the infomercial business has grown into a 300 billion dollar industry. Known as “Direct Response Television” or “DRTV”, when you think of infomercials, the products that come to mind are those that have been pitched by well recognized spokespersons George Foreman, Billy Mays, Ron Popeil, Jack LaLanne, and the wild success of products including the Total Gym, Snuggie, Proactiv, OxiClean, Jack LaLanne’s Power Juicer, Chia Pet, the Clapper, the Space Bag, ThighMaster, FoodSaver, and many others.

Infomercials proliferated as a result of deregulation and the growth of cable stations during the 1980’s along with the FCC’s elimination of the rule which limited TV advertising to just 16 minutes per hour of programming. Cable stations had a surplus of TV time which could now be sold to advertisers, and half-hour slots of time in the early days were dirt cheap. Eventually advertising rates rose as cable programming improved throughout the years. Yet even today, cable ad rates are often still much less than for 30 second commercial spots on the networks, although infomercials run on all stations now.

Initially for many years, infomercials were looked at as a second class venue for advertising. However since then, infomercials have evolved and become mainstream for many companies. It has become an industry that has carved out a respectability with high profits to prove its validity. For instance, Guthy-Renker, who sells the Proactiv acne cream worldwide, generates a billion and a half in revenues, and ranks in the caliber of multinational companies including Estee Lauder and Proctor and Gamble. Infomercials can achieve results that other venues can’t, and work sales magic for the right kind of product.

There are two types of infomercials – the “long” form is often 30 minutes and the “short” form is one to two minutes. For product developers and inventors, however, it can be very confusing when they are approached by an infomercial company. There are many infomercial companies that tell you that they will produce and test market your product but that you’ll have to spend anywhere from \$10 to \$50K to get the infomercial produced and to do the test. In addition, you are more often than not required to furnish the product inventory and they will also charge you to handle the orders. Sometimes they will buy the product directly from you. Only then, they say, if the product sells well, will they make some kind of future arrangement with you.

The truth be told, the test is usually done in too limited a market, the video is often not properly done, and/or the demographics of the test market is wrong because it’s often done by buying remnant spots which can run in the middle of the night when nobody will see the commercial. So most of the time, these infomercial companies usually leave

something to be desired, because they put you, the inventor, at a very high risk and don't provide any long term benefits after their limited time agreement (usually six months).

So it's very refreshing when you come across a company such as Lenfest Media Group that evaluates an inventor's product with no cost, no fees, and no risk, that will license the product if it meets their criteria, and then they will invest their own funds to test market and launch it.

From what I've seen, what's different about Lenfest, is that they are an inventor-friendly company that will "license" your product if it meets their criteria. If your product passes their free evaluation and the various stages of approval, then they will sign a licensing agreement where you receive royalties from net sales. The standard royalty they pay is 2% to 5% if it becomes a major hit when it runs on TV. Even though the royalty percentage may seem small, on a good run, it could result in a nice supplementary income, and if it's a hit, the royalties could be sizeable.

I had the opportunity to interview Andy McKinley, who is a Partner and Vice President of Strategy and Business Development at Lenfest Media Group.

Stephen Gnass:

*I understand that Lenfest has been in the entertainment industry for some time. How did Lenfest get into the DRTV business?*

Andy McKinley:

Since the 70's, the Lenfest family has had strong roots in the cable and media industry on the East Coast. Lenfest Communications, Inc. became one of the top twelve cable television companies in the U.S. and in early 2000, Comcast Corporation bought the family's ownership of the television operations in a multibillion dollar transaction.

That same year, H. Chase Lenfest founded Lenfest Media Group, which owns and operates the top ranked Direct Response Television (DRTV) station in the Philadelphia market, "Get It On TV Philly" (WMCN-DT 44) which runs infomercials all the time 24/7.

We decided to enter the infomercial business with a special division that is seeking products that fit the "As Seen On TV" model. This division is a natural outgrowth of what we have been doing. While all of the infomercials that air on our station are long form, the model that we're primarily using for launching new products is short form via other national cable networks and tv stations.

Stephen Gnass:

*You said that you're focusing on short form commercials for your new division. Can you explain what the main difference is between the long and short form?*

Andy McKinley:

The basic difference between short and long form is that the long form is 28 minutes and 30 seconds and short form is two minutes or less. Infomercials that are almost a half hour have the appearance of being a TV show. Sometimes it feels like a talk show, sometimes it is done in an interview style, other times it looks like an entertaining TV show segment, with the difference that the product is being pitched and sold throughout the show.

This format for long form commercials is educational and is generally used when the price of the product is greater than \$50. As the show progresses and reaches a crescendo, the consumer is getting excited as to how they can use this product to do something faster, better, less expensive, etc. The idea is to come to the point of a call to action, requesting the audience to call now.

On the other hand, the short form commercial is for products that can be explained in under two minutes and generally sell for under \$50. They're usually 60, 90, or 120 seconds, so they're quick and easy to understand, they're a no brainer for the consumer to see it and want it immediately. Ideally a consumer will respond the first time they see a product on tv but sometimes viewers will see the commercial a few times before they call in to place an order.

The product itself and its price usually dictates whether it should be a short or long form commercial. Our focus is on short form commercials, yet we're not passing up something that looks like it could be a hit with the long form commercial.

Stephen Gnass:

*What kinds of products succeed in infomercials? What are the criteria for the products that you look for? What does the product need to have in order for you to take it on?*

Andy McKinley:

In general, products that succeed in this industry are those that make life easier, relieve pain, increase pleasure, help people look and feel better. That's why you see fitness and exercise equipment, juicers and food processors, beauty products, gardening products. We look for products that elicit an emotional response so that someone just picks up the phone and orders right away.

However, the products that fit the short form commercial, have a few more criteria. We look for the following 8 major criteria:

1. Unique- a product must be different
2. Mass market- it should appeal to as wide a range of viewers as possible
3. Problem solving- does it provide a solution to a problem that people need?
4. Priced right- preferably it should retail for less than \$20
5. Easily explained- a product should be demonstrable
6. Age appropriate- it should appeal to the largest DRTV viewing audience (50+)
7. Credible- people need to believe a product does as advertised

8. Retail ready- the product should be able to be packaged for retail

Stephen Gnass:

*Do you look for any other requirements?*

Andy McKinley:

Ideally, the inventor should have the product's protection in place, such as a patent, trademark, copyright, etc. We prefer to look at products that have a track record, and have been in the market already, with inventory, and at least some sales history. The product also needs to have a 5 to 1 ratio of the retail price to the cost to manufacture a product. This means that if a product retails for \$20, it needs to cost less than \$4 to produce.

Stephen Gnass:

*What about products that are in the earlier stages, do you accept submissions for these?*

Andy McKinley:

Yes we will take a look at products that aren't as developed, but for us, they require more investment to bring the product to market, so they are a higher risk and need to have a strong "wow factor". Naturally, we don't want to miss out on an opportunity if a really great product isn't as developed as we'd like, so we do accept inventions or products that are at any stage but we have a strong preference for finished goods.

Stephen Gnass:

*How many products would you say succeed in the infomercial business, meaning bring in enough revenue to bring in a profit? What's the percentage?*

Andy McKinley:

Well the infomercial business is a very tight business and few products succeed in reaching enormous profits; maybe one in twenty products make it on drtv. Where regular network commercials try to build the brand name and create awareness, they help generate business over the long term. But the term "DRTV" stands for "direct response", and if an infomercial runs on TV and doesn't bring in immediate response, it is considered a failure right away. Consumers either want it or they don't. The infomercial business is based on immediate sales performance.

Stephen Gnass:

*What are the chances of a product making it in DRTV like the George Foreman Grill, Snuggie and so on?*

Andy McKinley:

Well first you have to realize that we're looking at thousands of products every year and we find a very small percent fit our criteria. With that said, when we finally take a product on, we will be investing time, energy and resources to put it on TV, as a short or long form, and we have to feel confident that our investment will give us a big return.

Only a few products that come through our system will ultimately be accepted. But once they're accepted, we believe, like the inventor probably does, that the product is a winner and has the potential to be the next As Seen On TV product hit.

Stephen Gnass:

*Do all products that run as infomercials end up in retail stores or catalogs?*

Andy McKinley:

No, not all infomercial products end up in retail stores, because they're not all conducive to go beyond the infomercial format. But if a product does have the potential to be sold in retail stores or catalogs as well, it increases the profitability of the product.

Stephen Gnass:

*I understand that you have a contest going on right now, and you're looking for products with the goal of licensing them. Can you tell me more about the contest?*

Andy McKinley:

It's a basic outreach to find the next big product that's an "As Seen On TV" type of product. We've put out the word that we're looking for inventions, and will be accepting submissions through May 15, 2011.

Stephen Gnass:

*I know there are some companies out there that charge a fee for doing the production for a commercial and a lot of times these fees can be into the five figures for the entrepreneur/inventor. How is Lenfest different than those companies that are fee based?*

Andy McKinley:

First, there's absolutely no risk for an inventor or product developer to submit their product to Lenfest. There's no cost for the evaluation, and there are no fees for the commercial production or any other service. If a product passes the initial submission, it goes on to the next phase, and is approved at several levels before it's finally accepted by Lenfest. Then an inventor would be offered the opportunity to license their product to Lenfest. After that, Lenfest will invest in the production costs for an infomercial, long or short, and it would be tested in markets that suit its demographics.

If it passes the test market phase, we'll do a national roll out. As I said, the inventor pays nothing when a licensing deal is cut, and will receive royalties somewhere between 2 and 5 percent. The inventor has no work, no expenses, no risks, but collects royalties if the product is successful in direct response.

Stephen Gnass:

*What do inventors have to do to go through this submission process?*

Andy McKinley:

It's very easy, they just go to our web site and fill out the online form at: [www.LenfestMedia.com](http://www.LenfestMedia.com). Then we'll be contacting them between 1 to 2 weeks to let them know if we would like to receive more information about their product.

Stephen Gnass:

*Thank you very much Andy, this interview has been very informative. I wish you the best on your product search and look forward to seeing the next big product on Get It On TV.*

*A personal note to inventors:*

*I think that it's important to mention that I've seen many inventors who enter contests, product hunts, TV shows, etc. and often take rejections negatively and personally, as if it means that their invention doesn't have any potential or worth at all. But I want to point out that all of these types of contests are looking for specific types of inventions, and if an inventor's product doesn't fit that particular venue, it doesn't mean that it won't succeed in another venue. Not all products will fit the "As Seen on TV" profile, so be sure that you don't mistake a rejection to mean that your product can't succeed. If you want to read an inspiring story about rejection, read "Innovator's Pursuit: How One Man's Quest after Retirement Turned His Innovation into an Icon" at:*

*[http://www.businessofinventing.com/articles/innovators\\_pursuit\\_quest\\_after\\_retirement.html](http://www.businessofinventing.com/articles/innovators_pursuit_quest_after_retirement.html)*

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