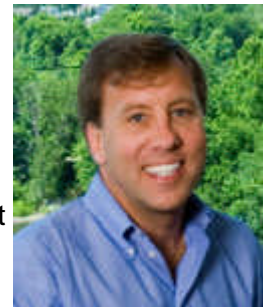


The DRTV industry is prospering, opportunities for inventors numerous. Interview with Andy McKinley – Lenfest

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We've been featuring a number of articles about Direct Response Television as of late. In case you're unfamiliar with DRTV, it is a specific form of marketing in which products are sold on television in short or long form advertisements. Consumers are asked to "directly respond" to the commercial if they are interested in the product advertised, usually by calling a given phone number. Short form commercials may be between 30 seconds and 2 minutes long; long form commercials, commonly referred to as "infomercials", are a little less than thirty minutes in length. The DRTV industry is prospering and the opportunities for independent inventors to succeed within it are numerous. I had the pleasure of interviewing Andy McKinley, the VP of Strategy and Business Development for [Lenfest Media](#) Group. Lenfest owns and runs a television station that solely airs DRTV programming. McKinley shared a bunch of critical information about the industry and how you might benefit from it.

Lenfest is currently in the process of developing about a half a dozen new products for the DRTV market to be released on television soon. They're continuing to sift through other submissions. What makes a product highly desirable to them and worthy of investment?



"There is a standard criteria for all products sold through DRTV. The product needs to have mass appeal. Television is a mass medium. We can target certain purchasers, but the broader its appeal, the better. Look at Snuggies. Who can use a Snuggie? Males, females, the young, the old... There are no restrictions as to whom might be interested," explained McKinley.

Furthermore, the product must be demonstrable.

"Television is a visual medium. You can pick up and read about products on the store shelf. Our advantage lies in showing the consumer what the product can do," said McKinley. "If we can't show them, then we can't sell a product."

And as always, the product needs to solve a problem that consumers feel is real and doesn't have another solution. The product must be unique. And finally, the product must be able to be sold under a certain mark-up.

"In DRTV, the product's retail value to its cost must be around 5:1, if not higher. The ratio is very specific because the costs of producing a short or long form commercial are so high," said

McKinley. He further explained the importance of the 5:1 ratio.

“Having a 5:1 ratio means that if a product retails for 20 dollars, it must cost no more than 4 dollars to make. All of the other costs involved to sell that product on television eat away that 16 dollar margin and more,” stated McKinley.

Though it the ratio may seem large, after McKinley described all of the costs that go into producing a product and selling it through DRTV, I understand why it is the way it is. That having been said, the pay off for products that are successful on DRTV is often enormous. And after selling on television, “As Seen on TV” products are often even more successful in the retail market! McKinley estimates that for every unit sold through DTRV, 7 or 8 are sold in retail locations. A brand has been established. And those consumers who are still uncomfortable with buying over the phone are able to do so in person, at a retail store.

Each product submitted is subjected to an analysis of these factors. Does the idea have a chance? Is it going to intrigue someone who’s flipping through the channels?

And there’s one last factor. When asked if Lenfest prefers to receive developed or undeveloped products, his response was clear. Developed products are preferable.

“The further developed the product, the better. If you have inventory and have already sold the product through live shopping or Internet sales or at a trade show, whatever, then that’s great. The reason being that there’s a track record that speaks for itself. It’s apparent that the consumer is interested. If an idea exists only on the back of someone’s napkin, so to speak, then it is going to take so much extra work to get to the point where it can even be sold. Faced with a developed and undeveloped product, we’re always going to lean towards the developed one. But that having been said, I have a healthy sense of paranoia that we’re going to miss the next big idea! So we do look at ideas in all stages.”

To read the second half of my interview with McKinley, tune in to Wednesday’s blog.