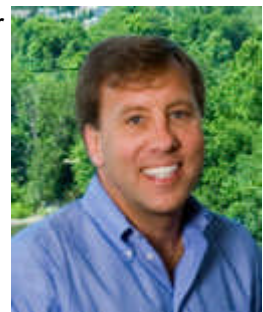


The DRTV industry is prospering, opportunities for inventors numerous. Interview with Andy McKinley - Lenfest Part 2

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Stephen Key

I was curious to discover what percentage of orders made are immediate. Do most consumers order the product right after a commercial or do they wait? Andy confirmed that there's a high correlation between the airing of the commercial and purchases made.

"I don't have an exact percentage, but the majority of purchases made occur between the beginning of the program and five minutes after it ends. That's true of long-form," he admitted. "Short form is a little different, obviously."



Because short form commercials offer less information, there are more frequent instances of consumers consulting the Internet for research or eventually purchasing the product online. Products that retail for over 50 dollars, on the other hand, are almost always sold in long form. You need more of a sales effort to convince the consumer why they should spend so much money, said McKinley.

Although McKinley couldn't give me any exact figures about the size of the DRTV industry, some of the facts he did provide were fairly indicative. 63% of the adult American population watches DRTV, and 1 in 4 adult Americans have purchased a product from it. And DRTV accounts for 14 to 15% of all TV advertising!

What are some of the biggest misperceptions McKinley thinks exist about the DRTV industry?

"From the viewpoint of inventors, I often get the sense that they believe they're being taken advantage of. They believe that the royalties they're offered are too low. In our industry, the standard rate is between 2% and 5%. Getting only 3 to 4 cents on the dollar seems absurd to them! But they fail to recognize how expensive all of the costs and risks involved in executing a campaign really are."

To give you an idea of just how expensive they really are, McKinley estimates that it costs between 75,000 and 100,000 to execute short form commercial campaign and around 400,000 for a long form one.

Another misperception he fights is one from consumers.

"I can tell that some consumers believe that DRTV products never really work, that they are shams or scams. A bad reputation does exist, but that reputation has been created by a few

rotten apples. There is also a trend of high quality products. Companies that have never used DRTV before are now playing with it, and that's helping lend some legitimacy," said McKinley.

A unique quality about Lenfest is how they work with inventors. McKinley explained that the company takes all financial risks in the transaction.

"You don't have to spend a penny for this to work. We are willing to fund it all: production, market research, focus groups, the air time, the purchasing and manufacture of units to test it out... If it does work, we're putting the product on steroids. For inventors, it's a risk free opportunity to see if they have a great product," said McKinley. Lenfest has made it a priority to include inventors throughout the entire process of creating an advertisement.

Sound too good to be true? It doesn't have to be. Visit lenfestmedia.com for more information.