

ORANGE COUNTY BUSINESS JOURNAL

VOLUME 19 NUMBER 6

FEBRUARY 5 - 11, 1996

NINETY-THREE CENTS

'Corporate' hawkers

Kerrys' Script to Screen near \$8 million mark

■ By MELINDA FULMER

The Kerry family has built a multimillion dollar business while most of us are asleep.

Since the late 1980s, their infomercial production company, Script to Screen, housed in a garden office building off Tustin Avenue in Santa Ana, has been producing infomercials and direct marketing spots that air on late night or weekend television. The program for the alien Ultimate Wedge, for example, is a Kerry production, shot at Pelican Hill golf course in Newport Beach.

"They're one of the top five direct response/infomercial production companies in the business," said Jack Sember, publisher of the Santa Ana-based trade pub Response TV.

Golf gadgets are only a small part of the Kerry mix. In a business with a reputation for sometimes schlocky offerings, the Kerrys are known for hawking mostly mainstream goods. They haven't done infomercials for the Psychic Friends Network, the Pocket Fisherman or the ThighMaster. Instead, Script to Screen brings in revenue working with brand-name clients like NordicTrack, Braun, Estée Lauder, Turtle Wax, Inc. and Time Life Music.

"They have carved out a niche working with more 'corporate' clients," Sember said.

A growing stable of those clients has boosted Script to Screen's revenue by 25% a year since its breakthrough year of 1990, when it took on its first major client, Gateway Educational Products Ltd. of Orange, which



Braun's Oral-B plaque remover

produces Hooked on Phonics training cassettes.

This year, 12-employee Script to Screen expects revenues to hit \$8 million.

The company is run by Barbara Kerry, president, her husband, Ken, and her brother-in-law, Tony. They handle infomercials from

inception to media buy. They create the concept, write the script, round up the talent and shoot and edit the spot. The company, like most advertising agencies, makes its money by marking up its services, but sometimes they get a little off the back end, in the form of royalties.

Coming up with the celebrity pitchmen and pitchwomen isn't all that exciting — the Kerrys use a talent agency for that task.

Past infomercial talent has included ex-Happy Days star Tom Bosley pitching 1950s music from Time Life, Lifestyles of the Rich and Famous' Robin Leach espousing Travel Perks travel industry training, former Olympic figure skater Peggy Fleming using an Oral-B toothbrush and Coach's Craig T. Nelson under the hood of a car demonstrating the benefits of Slick 50 engine treatment.

After that's done, the Kerrys can also handle the nuts and bolts side of the business, including media buying, telemarketing, fulfillment and database management. Each year, the company produces about 12 to 15 "direct response" spots, with budgets that range from \$250,000 to \$400,000, excluding media buys.

"They understand the tricky mix between salesmanship and showmanship," Jim Harrison, marketing VP of alien Sport, Inc., said of the Kerrys.



On set with Peggy Fleming, infomercials for NordicTrack, alien wedge: Combining salesmanship, showmanship

But that understanding came the hard way. In fact, Barbara Kerry said her initial foray into direct marketing was "a miserable failure."

Then Barbara Mitchell, she and future husband Ken spent several years learning the infomercial business on their own dime. They were fresh from broadcasting careers, he with ABC's Wide World of Sports and she with Fox Television (her father, Bill Mitchell, is well-known for his seminars on real estate salesmanship). They formed a company, Mental Dynamics, to sell motivational tapes over network television. The line of subliminal cassette tapes promised everything from help with weight loss and smoking cessation to simple positive affirmations. They didn't sell, and after three years the duo was out \$1 million. Barbara Kerry called it "the most expensive Ph.D. we could have earned."

"Just because we could produce a TV show did not mean we could sell a product," she said. Barbara Kerry said the problem wasn't the product, it was the commercials, which confused the buyer by presenting too much information.

"The customer did not want to be educated, they wanted to be entertained and they were easily sold," she said.

By 1990, the "Ken and Barbie" team had



Robin Leach for Travel Perks

hired Ken's brother Tony, who had worked in marketing for an Irvine computer consulting company, the Bridgegate Group. They also landed an assignment producing an infomercial for Hooked on Phonics cassettes. "It was the product that really launched our company," said Tony Kerry, marketing VP.

The association has since ended. In 1994, Gateway was accused of making unsubstantiated claims in its advertising. It reached an agreement with the Federal Trade



Barbara Kerry

Commission whereby it admitted no wrongdoing and abandoned its ad campaign, including the infomercial. Tony Kerry said the charges were brought for claims made in its radio advertising, which did not involve

Script to Screen. Gateway has subsequently filed for bankruptcy under Chapter 11.

Script to Screen, meanwhile, has added other clients. In recent months, it picked up Taylor Made Golf clubs and Simple Green cleaner from ad agencies Bozell/Salvati Montgomery Sakoda in Costa Mesa and Guzman Michaels Advertising in Irvine, respectively.

"Nowadays half our business comes from ad agencies," Tony Kerry said.

Whatever people think of infomercials and their sales tactics, they are clearly gaining in popularity and acceptance, even among conservative companies like Fidelity Investments and Ford Motor Co.

Of the approximately 350 programs produced last year, about 50 of them were from corporate advertisers, Schember said. All told, \$600 million was spent on the media buy for infomercials, and consumers spent \$1.2 billion responding to them, he said.

"We see it as a viable way to grow and introduce new products," said Matthew Broderick, marketing VP for Turtle Wax. Broderick said 50% of the company's advertising budget is now devoted to direct response television. The Kerrys recently shot

two new infomercials for Turtle Wax — for its Lubricator 2001 engine treatment and for its Sudden Shine car polish.

Tony Kerry said companies like these aren't just interested in generating phone orders: The main benefit in infomercials today is power in driving retail sales."

Companies might try the medium to launch new products, to move products that have been sitting on the shelf or to generate leads for a more expensive product.

"They see it as self-liquidating advertising," Schember said. "If they can break even after paying for the cost of production and media then the advertising becomes free."

Golf club manufacturer alien Sport, Inc. launched its business in 1994 with an infomercial created by Script to Screen. The club's designer Pat Simmons had been trying unsuccessfully to market one of his clubs, a weird-looking wedge, to retailers.

People just didn't understand how the Ultimate Wedge worked. It needed to be demonstrated, said alien's Harrison. The



Tony Kerry

Kerrys produced a 30-minute infomercial starring sportscaster Jim Simpson, golfer Jerry Pate and Simmons, and it began airing on sports cable channels. Instant success. Last year, alien had more than \$20 million in sales.

Script to Screen is working on a new infomercial for alien, featuring its new Touch putter, due to air in April. The program will star Pate, Simpson, the LPGA's Laura Baugh and other sports figures like George Brett, Bonnie Blair and Dick Martin. ■