

Response TV

The Information Leader for the Direct Response Television Industry

Your DRTV Team

DRTV just can't be a one-man operation. There are too many labor-intensive processes and expertise-reliant functions for you to be able to handle it on your own. Here's a brief rundown of what your final team will look like.

1. Inventor/product owner/marketer. It all begins with you. You invent or buy the rights to a product; then you either begin marketing your product yourself or partner with another DRTV marketing company.

2. Manufacturing. You contract the manufacturing of your product to a manufacturing firm. Your marketing partner will likely handle this for you, if you opt to partner.

3. Packaging and package design. This company actually creates the packaging for your product and helps advise on the most cost-effective means of presenting your product to the consumer. Remember that skimping on packaging can lead to a phenomenon called buyer remorse. This is when the presentation of the product—the package and design—doesn't live up to the consumer's expectations, so he or she ships it back. For products up to the size of a briefcase, packaging can run up to \$6.50 per unit, down to \$0.13 per unit for something the size of a flashlight. It all depends on the quality of the packaging.

4. Duplication. This is the company that handles the production of compact discs, CD-ROMs, videocassettes, audio tapes, DVDs, etc. Duplication costs about \$1.20 for a VHS tape, \$0.50 for an audio tape and \$0.80 for a compact disc.

5. Production. This is the company that actually produces your infomercial or DRTV spot. Productions range from about \$20,000 to \$100,000 for spots and \$100,000 to \$500,000 for infomercials.

6. Media buying. You hire a media buyer to take care of the extremely complex task of purchasing airtime. A half-hour piece of time on television can run anywhere from \$25 at a firesale on a UHF station to \$20,000 or more on a national cable network. The same is true of short-form media. Media buyers are paid as a percentage of the media they buy, typically 10 percent to 15 percent.

7. Fulfillment. This is the company that warehouses and ships your product. Meet with them early to discuss packaging options to save you money on shipping and to coordinate with other vendors.

8. Payment processing. This is the company that actually processes the credit card order or checking account debit. The cost of this service ranges from 2 percent to 4 percent.

9. Telemarketing. This is the company that answers your phones. You work with this company to obtain your 800 number. If you're going to cheap out on anything, make sure it's not the telemarketer. If your phones don't get answered, that's it. You've spent \$20,000 on media, and you're not getting it back. Telemarketing costs range from \$2 or \$2.50 for a simple offer that doesn't require much scripting to \$6.50 or more for a complex product that requires the telemarketing sales rep to do some work to capture the customer.

—D. Nagel