



By Anthony Raissen

Retailers Embrace Infomercial Items: DR Products Not Just on TV Anymore

Direct response products have gained valuable shelf space at drug chains, supermarkets, mass retailers and club stores, with many stores creating a new department within the store. The As Seen On TV section serves as a great entry point for many DR items at retail.

However, I am constantly warning clients of the pros and cons of placing an item in this section. Yes, it provides for quick access to many retailers without having to wait for planogram reviews and resets. But the downside is that your product does not have a permanent home in the store.

How important is this? If you plan on longevity and line extensions, then it is critical to establish a permanent location within a store so that consumers can find your product on a regular basis. As Seen On TV products typically have a short life at retail — more of a seasonal product approach. Then they get discontinued as the infomercial matures and the advertising slows down. This is not usually the case if your product is a planogrammed item in a category.

Retailers have thousands of new items pitched to them, and DR products carry less risk than non-advertised products as they come with a built-in consumer base and awareness.

Selling products via an infomercial today is not much different from pitching products on boardwalks and fairgrounds a hundred years ago. But where hucksters once aimed to fill every outstretched hand with a bottle of tonic, modern pitchmen hope to fill every Wal-Mart, Walgreens and CVS with widgets, gizmos and other products. Infomercials are not the only way to get a prod-

uct into distribution. But products supported by big direct response advertising campaigns have a very good chance of getting retailers interested in carrying them.

Today, for many entre-

preneurs, infomercials are the means and retail is the end. Statistics show that for every unit sold through a telephone operator or website, you can expect to see eight to 12 sold in retail stores. Today's TV-viewing consumer has been programmed to look for DR products at his or her local store. These people know that if they wait a while, the products will usually end up on a shelf and they can pick them up there without having to incur the shipping-and-handling costs.

This all needs to be accounted for in the success of a DR campaign. Be realistic with your metrics and don't underestimate the value of your media exposure. DR is still advertising and retailers know this very well.

While price point is a key element to the success of a product whether it is at retail or DR, retailers are extremely wary of high-priced items — especially drug stores and supermarket buyers. They are more sensitive to higher priced items as they operate within a consumer's "budget" more than a mass retailer or warehouse store does. This becomes tricky for many products as they are then limited to certain

retail channels.

The lure of "four easy payments" does not help at retail. There are, nonetheless, many examples of higher priced DR products that are successful at retail. The key here is usually the fact that these products had tens of millions of dollars of advertising behind them. Nothing helps sell a good product more than advertising, especially in the competitive retail world.

As always, the rules of the game favor the retailers. Remember that for new vendors, most products are sold-in as a guaranteed sale and can be returned by the retailers at any time if the product does not meet their sales volume requirements. Payment terms will often be "pay on scan" — you only get paid when they sell product. In addition to this, there will be slotting fees and a free product allowance. Never lose sight of the fact that if your product is not successful, it will end up costing you a lot of money. ■



Anthony Raissen is president of Idealogy 360. He is also the founder of BreathAsure® and can be reached via email at Anthony@idealogy360.com or phone at (818) 633-3634