

From the Lab

European DRTV 101

Ever wished you had just a one-page overview of the European DRTV scene? So have the folks at TEST Marketing. So they went out and did it for you. Enjoy.

IMMEDIATE POINTS OF INTEREST



- € The Euro and the dollar are currently about 1:1, so the offer price point thresholds are going to be very similar. As \$19.95 is to the American DRTV buyer, 19.95 Euro is to the European DRTV buyer: it's still the magic bullet.
- € Hot European DRTV product categories include: self-improvement; skin care; health and beauty; weight-loss; fitness; and household items.
- € Some of Europe's biggest hits include: the Total Gym, the Steam Buggy and the Tiger Vacuum Cleaner.
- € Average credit-card penetration in Europe is comparable to the United States. In the smaller European DR markets, like Spain and Italy, cash-on-delivery (COD) is still a significant payment method. But in larger DR markets, like Britain, France and Germany, COD orders are virtually nil. In general, less than 5 percent of orders are fulfilled by any payment method other than credit card.

SERVICING DRTV

Production

The European original DRTV production scene is blooming, but the majority of marketers still take an existing American show and dub it in the country-specific language. However, with increasing restrictions on claims, many times a show will have to be cut down and re-edited.

Telemarketing

When it comes to European call centers, language is the issue. Most call centers are country-specific. However, since there has been a trend toward corporations headquartering in Ireland because of tax breaks, there is a larger pool of multinational employees living there. Hence, there is an opportunity for larger call centers with capacity to take calls from all over Europe to headquarter there. These centers have telephone rep divisions differentiated by the major European languages: English, French, German and so on.

Fulfillment

When testing the European "waters" and looking for fulfillment operations, the Netherlands is a good place to start. Not only is the Netherlands a traditionally service-oriented country, it is centrally located to all the largest European DR markets. If a product takes off like a runaway train in one country, then local fulfillment operations makes sense. But until then, many marketers opt for centralized fulfillment services.

IT MAY COME AS A SURPRISE, BUT ...

- € Claims are more heavily regulated in Europe than in the United States — so much so that, oftentimes, when a hit show is planned to be shipped off to Europe, marketers have begun tailoring their shows in the production stage in order to accommodate both American and European regulations.
- € Europeans respond to American-style DRTV. There was actually a case where an original, toned-down U.K. reproduction of a popular American DR show tested and the results were undeniable: the hard-selling flavor of American DR generated better results.

Looking to take a product to Europe? Marcel Avargues, executive director of the Electronic Retailing Association's (ERA) European office, advises that you **find a partner**, and check the ERA Web site (www.retailing.org/international.html) for exciting developments.



Test Marketing Group

Founded by Adam MacDonald, TEST Marketing Group operates a "Test Laboratory," where campaigns are developed by experts in a controlled environment. The TEST Laboratory is a specialized inbound/outbound phone center. The center is staffed with a group of specially trained marketing agents working on a state-of-the-art platform designed specifically to develop and measure the most profitable sales strategies for DR campaigns. Once determined, the strategy is "rolled-out" through the primary inbound and outbound telemarketer. The preferred result of this process: massive increases in net profit. TEST can be reached at (714) 546-5555. For Adam MacDonald, TEST CEO, dial ext. 202. For Chris Walshe, TEST president, dial ext. 201.