

From the Lab

The Road to 'Work'

The accepted wisdom says only one in every 10 infomercials and one in every 30 spots actually work. This month, TEST Marketing looks at the dynamics of the road to a show that works.

Defining a 'Working' Show

Pure and simple, a show that works is a show that makes money. Most DRTV professionals relate to a media efficiency ratio of 2:1 as the benchmark for success. Obviously, that depends on the break-even of a given campaign. If the break-even is low, the media ratio can be less, and you'll still see a healthy profit margin.

Break-even Generalities

- 1.3-1.5:1 — Optimal
- 1.5-1.75:1 — Most-likely
- 1.75+:1 — Need great back end or huge response rate

The Power of the Tweak

If you're testing a show, you can pretty much count on the need to "tweak" your show, at least once and probably multiple times, in order to get it to the point where it really works. In general, it is very rare for a show to be a home run on the first test. The average working show has been tweaked between two and four times to get to the point where it makes money.

When Is There Hope?

If it's true that only one in 10 infomercials or just one in 30 spots actually work, then at least 90 percent of time, your final media ratio will be less than 2:1, and you're going to have some hard choices to make. Do you just toss it, cut your losses and move onto the next project? Or, do you tweak and retest, hoping that your product actually has a market and that it's only a matter of a few changes here and there? Here are some guidelines most experts advise adherence to:

Media Ratio	Course of Action
0.1-0.5:1	Toss it. You'd most likely just incur considerable costs to accomplish only a slightly better outcome. When you think about it, to get you where you need to be, your show would have to produce at least 400 percent better results.
0.6-1:1	There may be hope here, particularly if it's above 0.8:1. But it won't be easy. This isn't a tweak, it's an overhaul.
1.1-1.5:1	There is no doubt that with results over 1:1, it's still worth pursuing. This is a tweak job, especially if it's closer to 1.5:1. Some elements to tweak might be the call to action (CTA), including price point and product offer, and possibly a good portion of creative content.
1.5+:1	You're there. Or if you're not quite there, with perhaps a stronger offer or some small tweaks, you could put yourself over the edge.

Tips for a Strong Initial Test

- *Go out with your strongest price point and offer.* Look at your first test as a measurement of response, not margin. If you really want your show to work at \$29.95, test it at \$19.95. Consider this: if response isn't hot at \$19.95, it certainly won't be hot at \$29.95, and you won't be wondering about what would happen if you tested a lower price point. Start low, and if the test goes well, move up.
- *If you can, test with a 2-for-1 offer.* For all the same reasons as above.
- *Keep the back end simple.* Don't try to get too tricky with the back-end offer for your first test. Consider that back-end offers can be developed more effectively after you know you're going to roll out.



Founded by Adam MacDonald, TEST Marketing Group assists direct response marketers in selecting the right inbound and outbound telemarketing, fulfillment, media and manufacturing vendors for their specific needs, and provides consolidated purchasing power to secure discounted volume pricing. TEST can be reached at (714) 546-5555. For Adam MacDonald, TEST CEO, dial ext. 202. For Chris Walshe, TEST president, dial ext. 201.

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