

## The True Cost of Testing Your Commercial May Shock You



**H**ave you ever tested a commercial and found yourself in “no man’s land” — where the commercial didn’t bomb, but it didn’t make a profit either? Anything that tests below a 0.5-to-1 is nearly impossible to salvage. A test that lands between 0.5-to-1 and 1-to-1 poses a challenge, but in most cases it is worth a try. Believe it or not, 0.5s can turn into 2-to-1s. Commercials that test between 1-to-1 and 1.5-to-1 shouldn’t give up because there’s a good chance of getting above a break-even, and anything over 1.5-to-1 should almost always maintain profitability.

As most marketers already realize, every nickel counts, and every cost is vitally important to making the show feasible. So, a marketer who has already accounted for cost of goods, media, telemarketing, fulfillment, credit card processing, returns, bad debt, etc., should be in good shape to attempt another test.

But wait! Right when least expected, a bill arrives from the media company. The jaw-dropping numbers reveal that the break-even result goes from a reasonable 1.6-to-1 to a 2-to-1. At least it appears that way temporarily because one thing was not factored in — the cost of tape duplication. Tape duplication companies burn on the 800 numbers and read the final voice over before sending the tapes to stations for airing. How much could that possibly cost — \$10 or maybe \$15 per tape? Wrong. Duplication can cost between \$100 and \$300 per tape depending on whether the show is short form or long form and whether it includes closed captioning or not.

In many cases, the cost of sending the tape exceeds the price of airing, thus dramatically affecting the break-even for the test. If the commercial tests well and no additional tapes need to be distributed, the cost can be amortized over the life of the campaign, dropping the break-even back down to an acceptable range.

So what is the solution? Here’s a helpful hint for those who don’t want to get killed by tape duplication bills during testing — rather than spend \$20,000 on 20 different stations for your test, try spending \$7,500 on seven stations. After all, the first test should determine whether or not the phone is going to ring. When phones start to ring and the marketer is confident that the show will work, that’s the time to buy more media and test more stations. By that time the marketer will know that the break-even will drop to an acceptable range upon roll out. ■



Take 2 Direct specializes in providing uniquely creative and highly responsive commercials and campaign management. If you want to sell your product and need a company that has the creative vision to drive the call, as well as the practical experience to manage the intricate back-end process, contact Take 2 Direct at (714) 979-5555 and ask for Adam MacDonald at x202 or Kelly Burke at x203.