



As Seen On TV:
A Direct Response To What Drives DR

The Quick Pitch: Television Represents A Proven Path To Success Within The Direct Response Category

- In a fast-moving category predicated on the direct selling of high volume products, TV advertising is consistently the main driver of brand success through its ability to deliver mass reach and scale quickly
- Perfected by the iconic DR products of the early 2000's, the most successful brands enacted a multi-pronged, TV-centric media strategy of buying wide and deep:

- **“Top Dollar”** - Brands invested significantly to ensure heavy TV exposure
- **“Dominant Share”** - TV was the leading medium by far within the media mix
- **“Continuity”** - Weekly TV presence existed throughout the entire ad campaign
- **“Around-The-Clock Coverage”** - Brand presence in all TV dayparts
 - Heavy focus on prime & daytime
- **“Wide Net”** - Deep network list across various demographics and multiple genres

- This proven formula is in effect now more than ever with dozens of current DR products employing similar “TV-centric” media strategies to build their brand and strengthen sales

The Quick Pitch: Television Builds Iconic Brands & Delivers Incredible Results

- Television, and the mass reach strategies of buying deep and maintaining a continuous presence, has enabled many DR brands to take on “larger than life” personas through:

Popular Culture

Ingrained in the consumer consciousness:

- Products
- Pitchmen

Parody




- Celebrities & entertainers on popular TV programs
- Thousands of YouTube videos uploaded by the average user

Community

- Bloggers incessantly blog about them
- Facebook fan clubs have launched around them and members share content
- Product Twitter mentions are everywhere

- While most importantly not only achieving, but exceeding, desired business outcomes:

Website Traffic

- TV spending , traffic 
- TV Spending , traffic 

Sales (“Cee, TV works!”)

- Consumer Acceptance
- Explosive Growth
- Extensive Back Orders

DR Category Segment Analysis: “Iconic” & “Active” Brands

- To understand how TV drives their business, we analyzed the media activity of two segments within the DR category representing “iconic” brands of the recent past and products that are currently active in the marketplace

“Iconic” Brands



“Active” Brands



Several Of The Successful Media Strategies Employed By Iconic DR Brands Of The Recent Past Continue Today With Similar *Eye-Popping* Results

“Iconic” Brands



“Active” Brands



What Do These 12 Iconic Direct Response Brands From The 2000's Have in Common?

Snuggie



“The blanket with sleeves!”

Mighty Putty



“Before buying new, let Mighty Putty fix it for you!”

Jack LaLanne's Power Juicer



“Change your life, save your life!”

Magic Mesh



“Keep fresh air in and bugs out!”

Pajama Jeans



“Pajamas you live in. Jeans you sleep in!”

ShamWow



“Say WOW every time!”

Shake Weight



“This is not a workout. This is a revolution.”
“Go from flabby to fabulous!” (women)

Perfect Brownie



“Bake, Slice and Serve!”

Twin Draft Guard



“The double-sided insulating miracle”

OxiClean



“The stain specialist!”

Ped Egg



“Treat your feet to a foot makeover!”

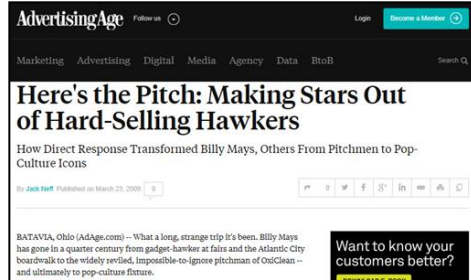
Slap Chop



“You're going to love my nuts!”

They All Entered The Mainstream Lexicon Of The American Consumer And Became A Cultural Phenomenon

The products and pitchmen are ingrained in pop culture



They've been parodied on Television...



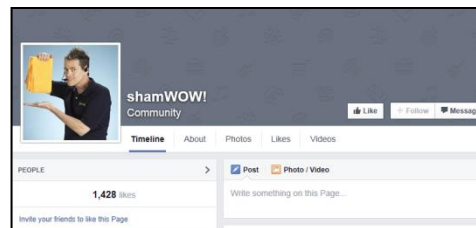
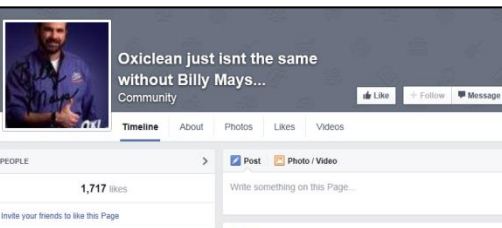
...And by the average person on YouTube



Users have incessantly blogged about them...



...Facebook fan clubs have launched...



...And Twitter mentions are everywhere



...And They Have The Business Results To Back Up Their Popularity

BrandInnovator

4 Million Snuggies. Even more on backorder. But you can win one today!

If you haven't heard by now the latest phenomenon Americans are crazy about -- Snuggies. Snuggies are "the super soft, thick, luxurious fleece with roomy oversized sleeves that let you do what you want and still be wrapped totally in warmth". The Snuggie is conquering the sour economy by selling over 4 million units in just three months--and are currently on backorder!

The Shake Weight Hits \$40 Million In Sales

Darren Rovell | @darrenrovell
Friday, 20 Aug 2010 | 3:43 PM ET



Call it this year's Snuggie. The Shake Weight, thanks in big part to the sexual innuendo associated with its ad, is the "As Seen On TV" product of the year. Fitness IQ, which makes the weight that now comes in men's (five pounds) and women (2 ½ pounds) versions, says it has sold more than two million of them in less than a year. At \$20 apiece, that's

AdvertisingAge

Oxi Clean rides direct to the top

As some big players in household cleaning categories struggle or shed brands, a small Colorado-based family company has unleashed a stealthy juggernaut that ranks among the largest household product launches in recent memory. Since Orange Glo International began moving its Oxi Clean laundry additive and all-purpose cleaning brand into food, drug and mass retail distribution last year, the brand has picked up \$22.4 million in annual sales, according to Information Resources Inc. But that only begins to describe the brand's growth.



PedEgg foot-care device hatches surprising sales

It's both fascinating and revolting at the same time: a cheese-grater-like device that shaves skin off feet to make them softer, smoother and better looking.

Since the October launch of the PedEgg, millions of people have been exposed to its cringe-inducing but oddly effective marketing message.

ShamWow! Wins CNBC.com's "As Seen On TV" Tournament

Darren Rovell | @darrenrovell
Tuesday, 27 Jan 2009 | 11:10 AM ET



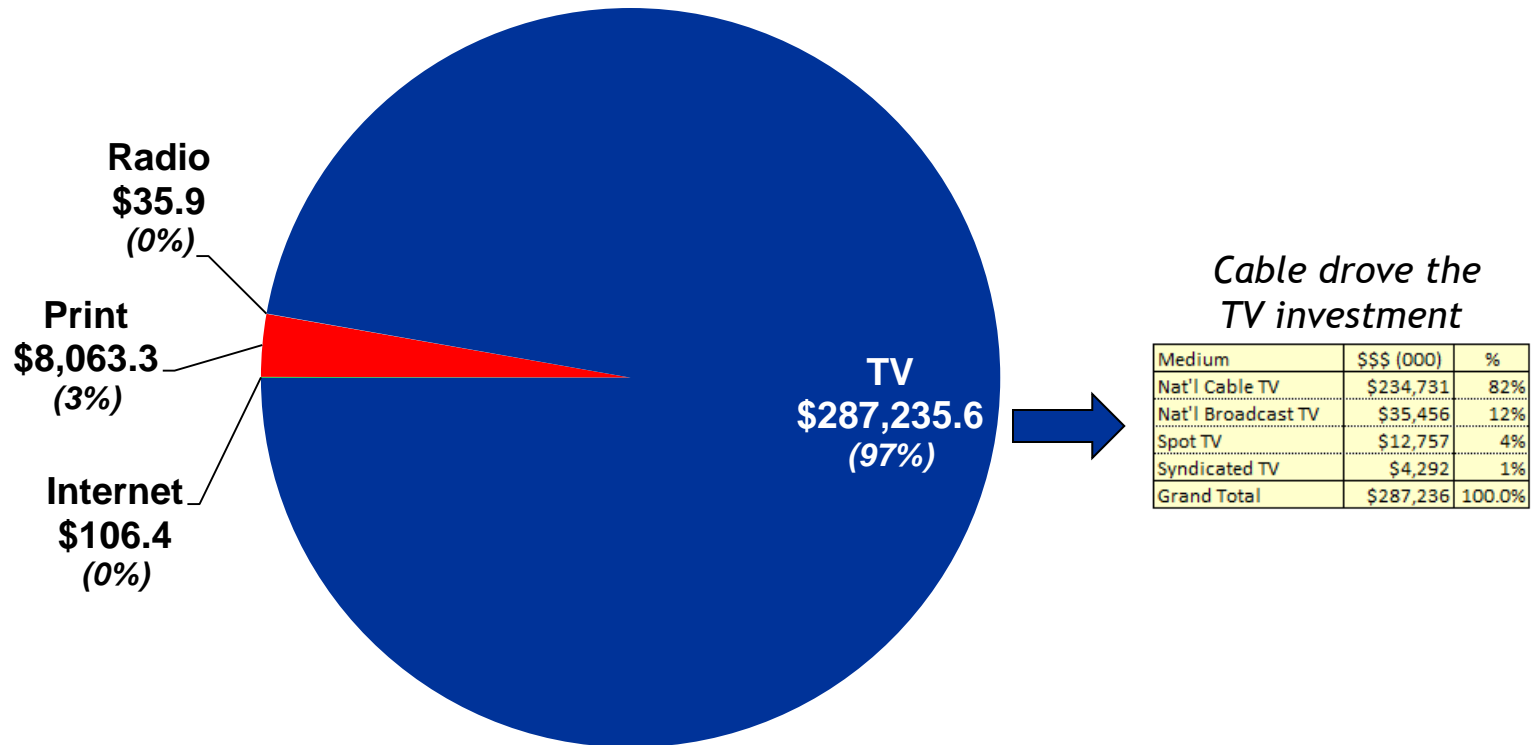
After more than 300,000 votes over 11-day period, CNBC.com readers have made their decision.

The ShamWow! is the best "As Seen On TV" product of all-time!

But Becoming A Cultural Phenomenon & Delivering “Off The Charts” Sales Wouldn’t Have Happened If It Wasn’t For Their Tremendous TV Exposure

These 12 iconic direct response brands were almost all exclusively advertised on TV, both infomercials & *heavy* commercial placements

12 “Iconic” Brands: Collective Media Mix (\$000)
CY 2004-2014



Cable drove the TV investment

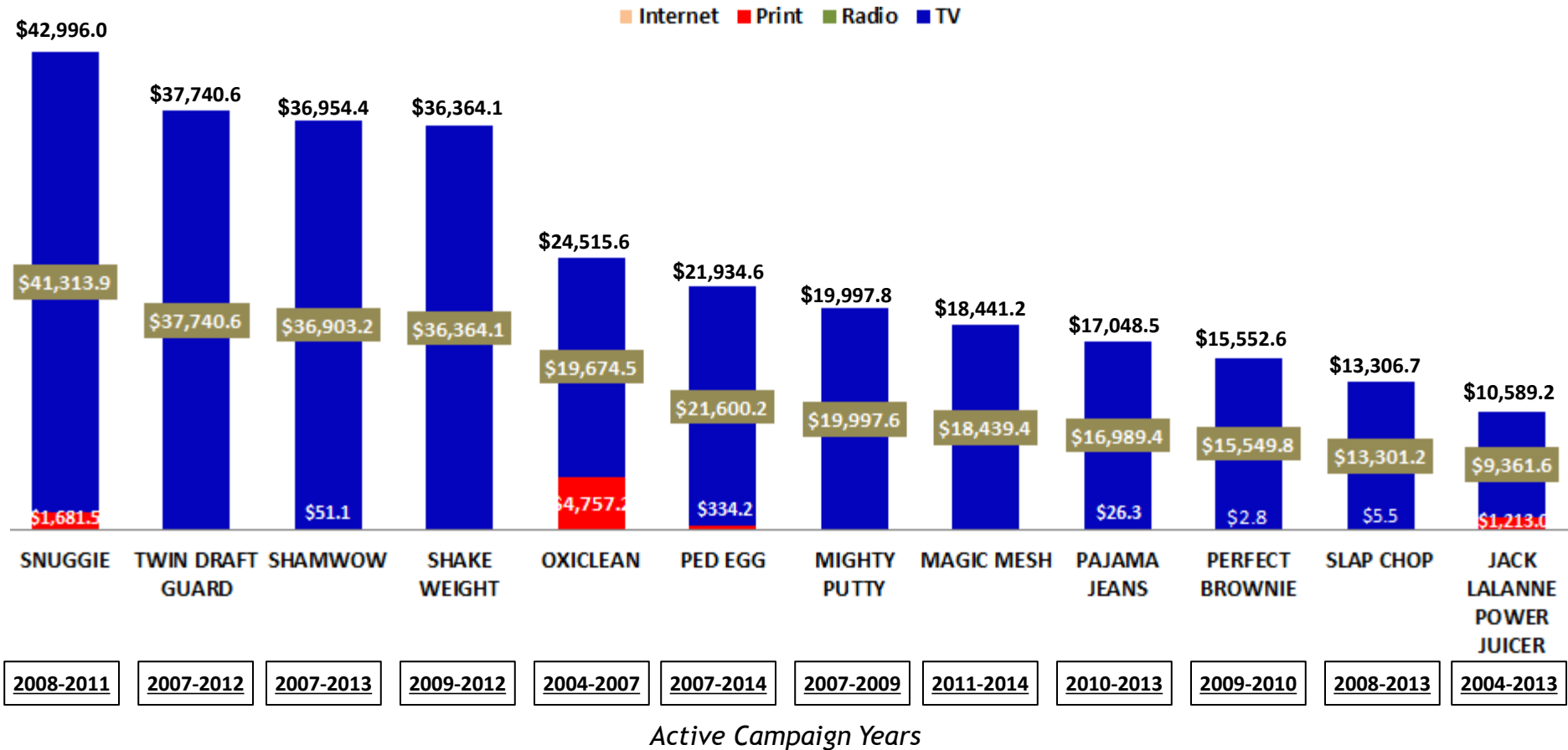
Medium	\$\$\$ (000)	%
Nat'l Cable TV	\$234,731	82%
Nat'l Broadcast TV	\$35,456	12%
Spot TV	\$12,757	4%
Syndicated TV	\$4,292	1%
Grand Total	\$287,236	100.0%

TV reflects commercial spend only and excludes infomercials

Source: Nielsen Ad*Views; Print includes newspapers, magazines and Sunday supplements. TV includes national, syndication, spot & Hispanic.

The Media Mix Wasn't Driven By A Few Either, All "Iconic" Brands Employed A Similar TV-Heavy Media Strategy

"Iconic" Brands: Total Campaign Media Spend (\$000)
CY 2004-2014



Source: Nielsen Ad*Views; Print includes newspapers, magazines and Sunday supplements. TV includes national, syndication, spot & Hispanic. Excludes infomercials spend

To Maintain “Top-of-Mind” Awareness, They Employed A Strong, Continuous Television Presence Throughout Their Advertising Campaign

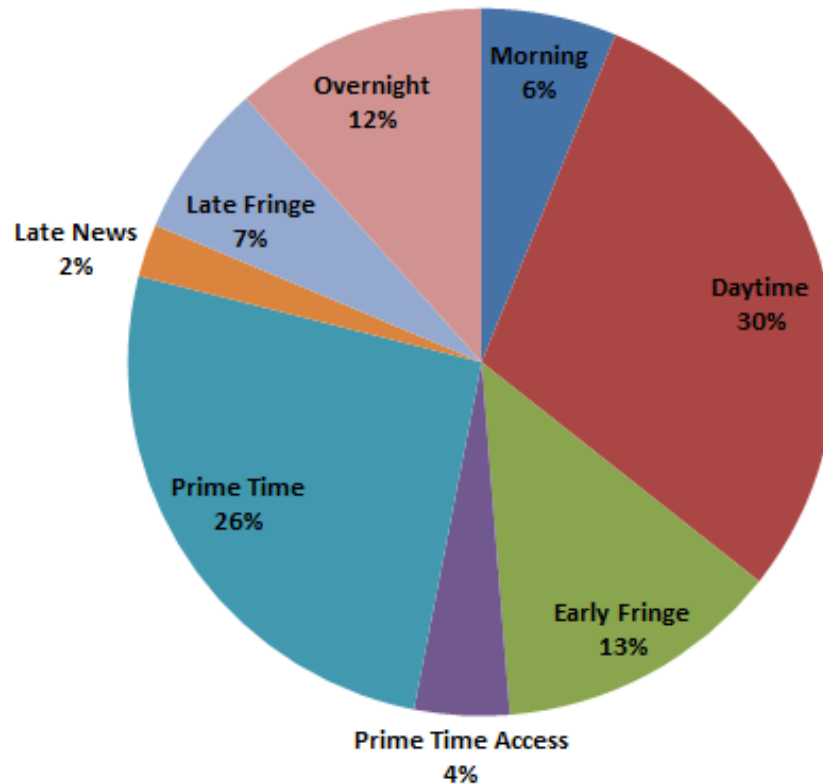
The average advertising campaign for “Iconic” Brands lasted almost four and ½ years, of which TV was active in 90% of the months

Iconic Brands	Campaign Dates	Active Months		
		Total Media	TV	% w/TV
Jack LaLanne's Power Juicer	Jan '04-Jun '13	114	111	97%
Magic Mesh	Apr '11-Dec '14	45	45	100%
Mighty Putty	Oct '07-Sep '09	24	24	100%
Oxiclean	Jan '04-Dec '07	48	43	90%
Pajama Jeans	Jan '10-Mar '13	39	34	87%
Ped Egg	Sep '07-Dec '14	88	62	70%
Perfect Brownie	Apr '09-Dec '10	21	20	95%
Shake Weight	Sep '09 - Jul '12	35	35	100%
Shamwow	Sep '07-May '13	69	69	100%
Slap Chop	Dec '08-May '13	54	52	96%
Snuggie	Aug '08-Apr '11	33	33	100%
Twin Draft Guard	Feb '07-Feb '12	61	38	62%
"Iconic" Brand Average		53	47	90%

24-Hour A Day Advertising! Direct Response Brands Weren't Just Relegated To Post-1AM Overnight Placements Either

In an effort to maximize reach, “Iconic” brands employed a balanced daypart mix strategy targeting consumers throughout the day including primetime

12 “Iconic” Brands: Collective TV Daypart Mix (based on \$\$\$)
CY 2004-2014

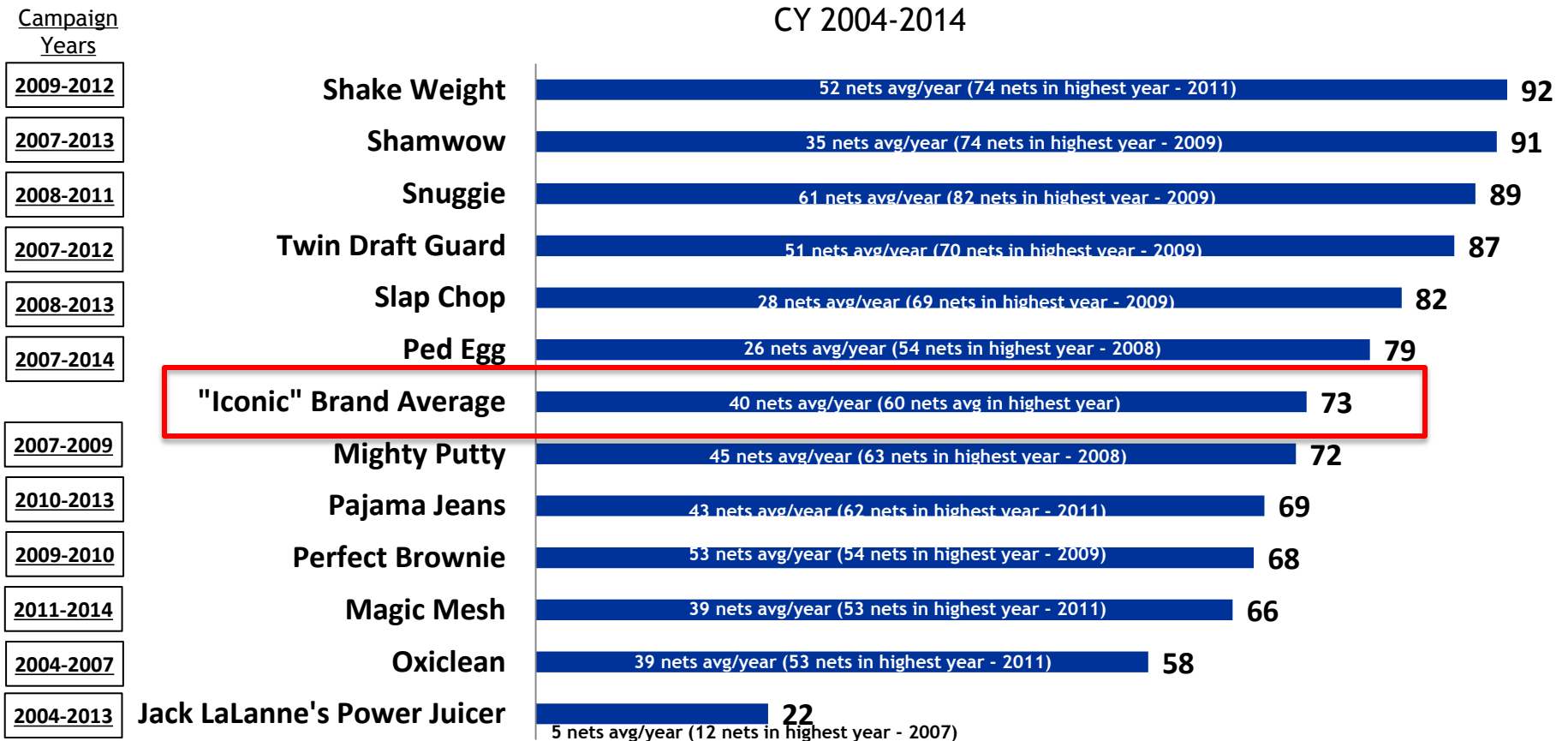


Source: Nielsen Ad*Views. TV includes national, spot & Hispanic; syndication is excluded due to inability to define dayparts. Excludes infomercials spend

Casting A Wide Net, Direct Response Brands Bought Deep To Create A Robust Television Network Mix

In another “maximizing reach” strategy, “Iconic” brands bought across multiple genres, interests and demographic targets to incorporate a deep network list into their TV buy

“Iconic” Brands: Total # of TV Networks Utilized During Campaign
CY 2004-2014



Similar TV-Centric Media Strategies Developed By These Iconic Brands Continue To Be Utilized By The Most Popular DR Brands Advertising Today

“Iconic” Brands



“Active” Brands



These Diverse Brands Represent 50 Of The Most Popular Direct Response Advertisers That Were Active In 2014

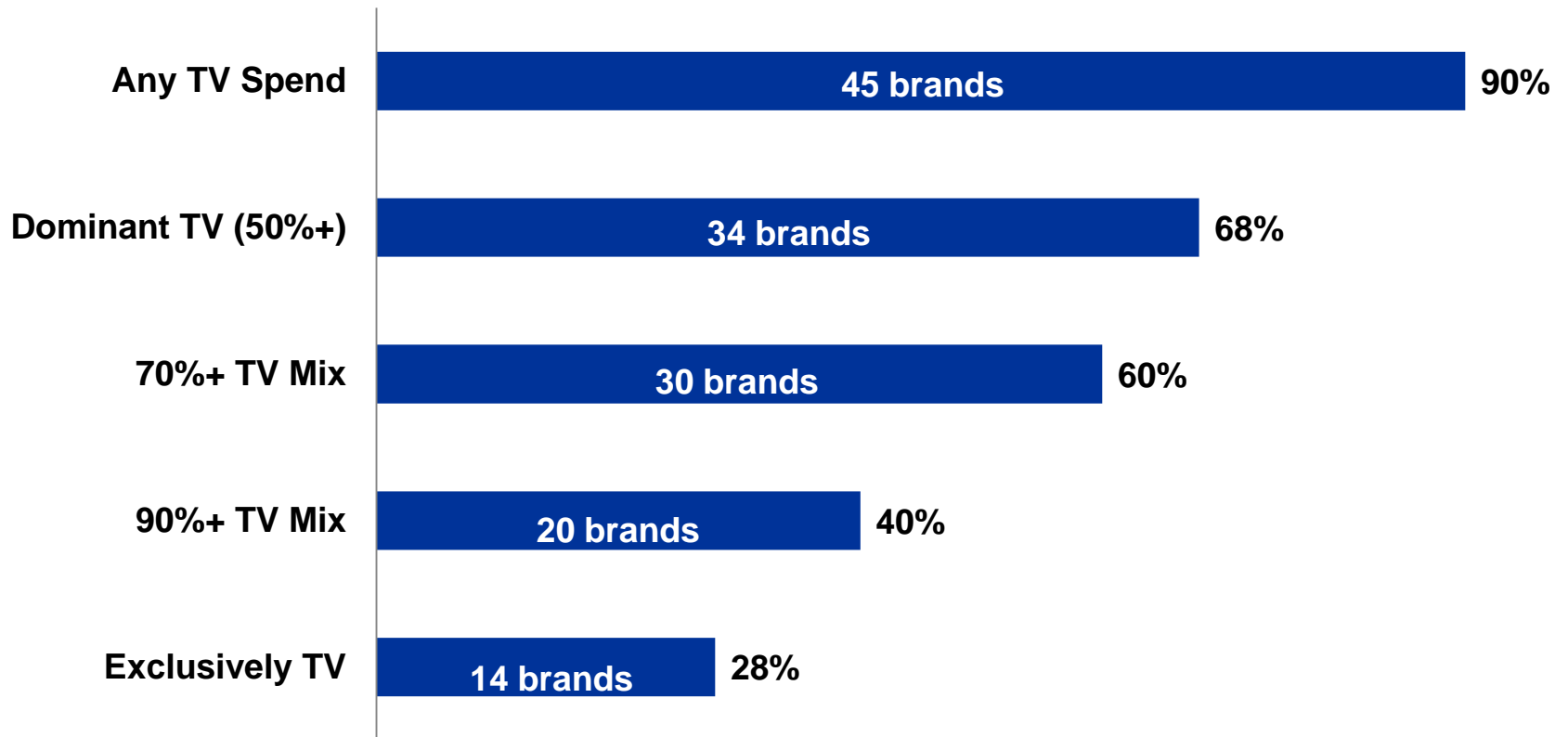


*Major advertisers representing a cross-section of various DR categories and active for multiple years including 2014

Television Is The Primary Driver For The Most Popular DR Brands Currently Being Advertised

90% of the popular Direct Response brands we analyzed over the last 10-years advertise on TV, while almost **70%** utilize it as the dominant media in their mix

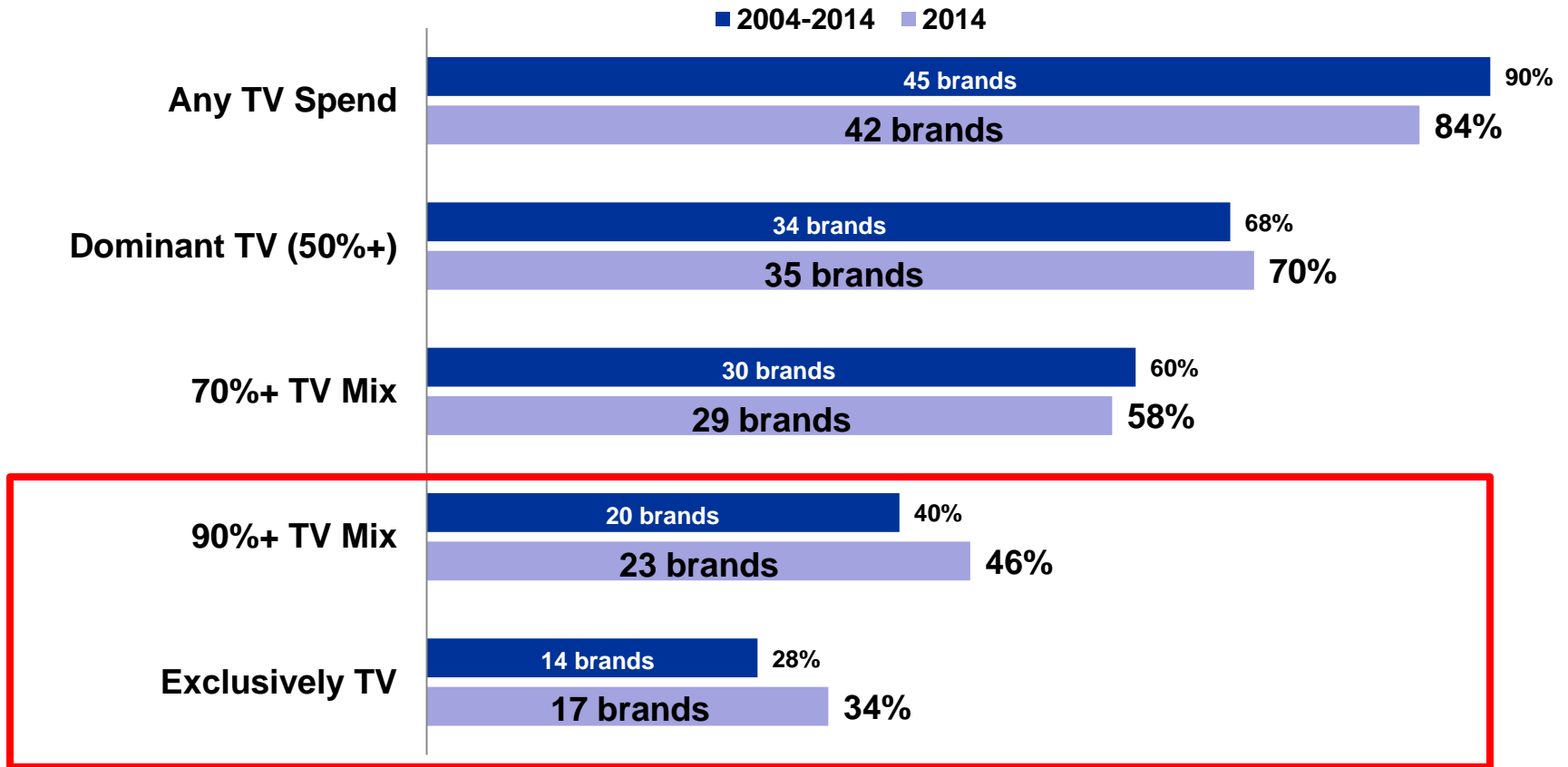
50 “Active” DR Brands: TV Spend as a % of Their Media Mix
10-Year Total: CY 2004-2014



In 2014, Even More Top DR Brands Relied on TV Advertising, Almost Exclusively, To Drive Sales

Almost half of the active DR brands used TV nearly exclusively within their media mix, a testament to the continued power of the medium

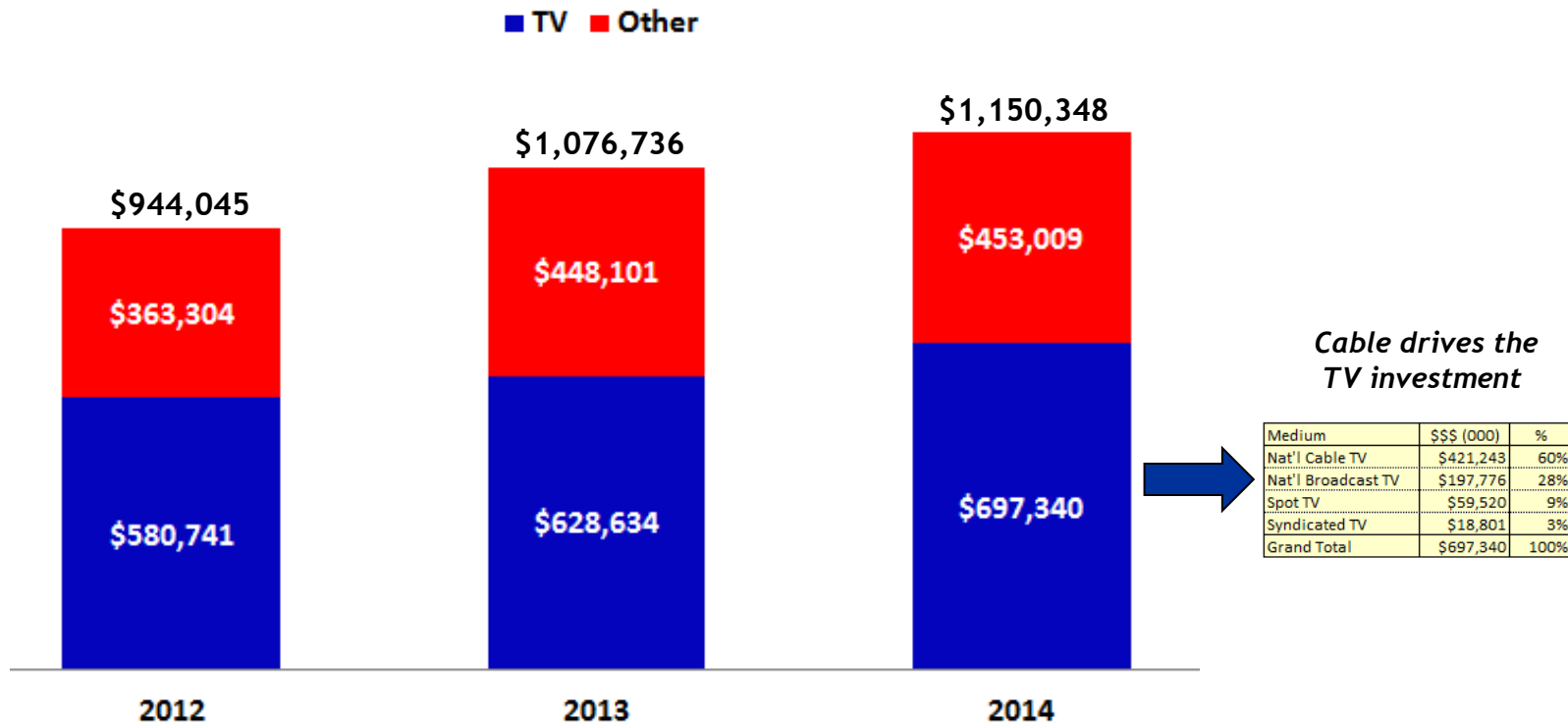
50 “Active” DR Brands: TV Spend as a % of Their Media Mix
CY 2014



Television Spending By Popular DR Brands Has Continued To Increase Along With Their Overall Media Budgets

The 50 active popular Direct Response brands spent almost **\$700 million** on TV in 2014

50 “Active” DR Brands: Total Media Spend (000)
CY 2012 - 2014



Source: Nielsen Ad*Views - TV includes national, spot & syndication TV; Other includes Internet, Radio, Outdoor & Print and all their measured subcategories

Most Active DR Brands Call For A Strong, Continuous Television Presence Throughout Their Advertising Campaign

Over the last three years, current DR brands have been active on TV for an average of 86% of the months, with *over half* of the brands (58%) active on TV *every month*

“Active” DR TV Brands: Active TV Months Within Ad Campaign CY 2012 - 2014

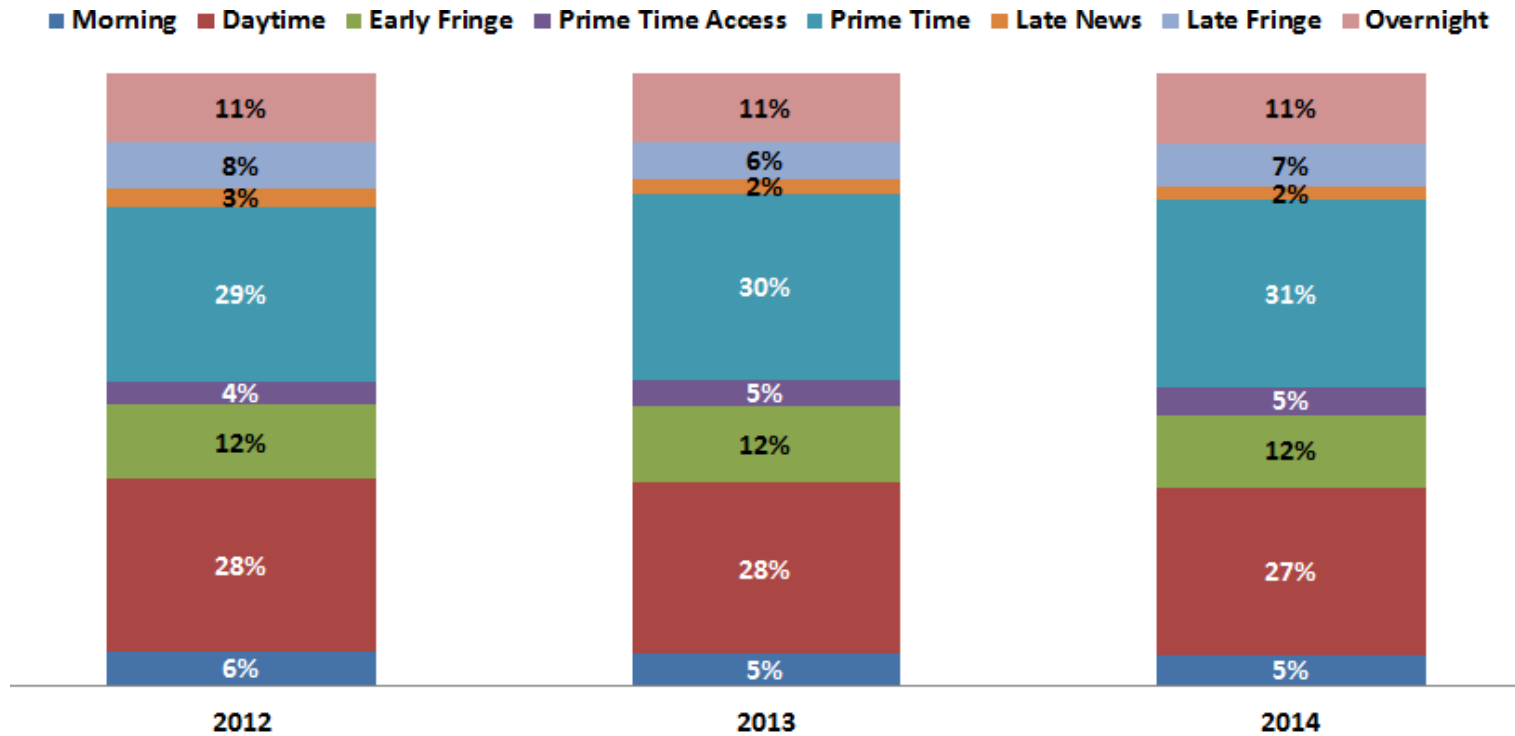
Current Brands	Active Months		
	Total Media	TV	% w/TV
1-800 CONTACTS	36	36	100%
ACORN STAIRLIFTS	36	36	100%
ADT	36	36	100%
B ELEGANCE	25	25	100%
BAREMINERALS	36	36	100%
BOSE	36	28	78%
BOWFLEX	36	36	100%
BRADFORD EXCHANGE	36	5	14%
CLEAR TV	36	36	100%
CRAFTMATIC	36	36	100%
EURO-PRO SHARK <i>(2014 only)</i>	12	10	83%
HOT SHAPERS <i>(2013-2014 only)</i>	24	22	92%
HURRYCANE	36	36	100%
INSTAFLEX	30	30	100%
KERANIQUE	36	36	100%
KIDZ BOP	36	27	75%
LIFE ALERT	36	36	100%
LIPOZENE	36	36	100%
MAGICJACK <i>(2012 & 2014 only)</i>	24	10	42%
MEANINGFUL BEAUTY	36	35	97%
MICRO TOUCH	36	36	100%
MYPILOW	36	33	92%

Current Brands	Active Months		
	Total Media	TV	% w/TV
NATIONAL COLLECTORS MINT	36	36	100%
NO!NO!	36	36	100%
NORDIC TRACK	36	33	92%
NUGENIX	27	27	100%
OMAHA STEAKS	36	8	22%
PAJAMAGRAM	36	6	17%
PAUL FREDRICK	28	28	100%
PERFECT AB-CARVER	25	25	100%
PERFECT BACON BOWL <i>(2013-2014 only)</i>	14	11	79%
PROACTIV	36	36	100%
PROFLOWERS FLORIST <i>(2013-14 only)</i>	24	4	17%
PURE SLEEP	36	36	100%
REC PEN	31	29	94%
ROSETTA STONE	36	36	100%
SAFE STEP WALK IN TUB	36	36	100%
SCRATCH-DINI <i>(2013-2014 only)</i>	21	20	95%
SLEEP NUMBER	36	36	100%
SUNSETTER	33	33	100%
TRIA HAIR REMOVAL	36	35	97%
VERMONT TEDDY BEAR	36	4	11%
WEATHERTECH	36	31	86%
"Current" Brand Average	33	28	86%

Primetime Is The Leading Daypart For Direct Response Brands' Around-The-Clock Messaging

Much like the “iconic” DR brands, current advertisers have consistently employed a balanced daypart mix targeting consumers through the day to maximize reach

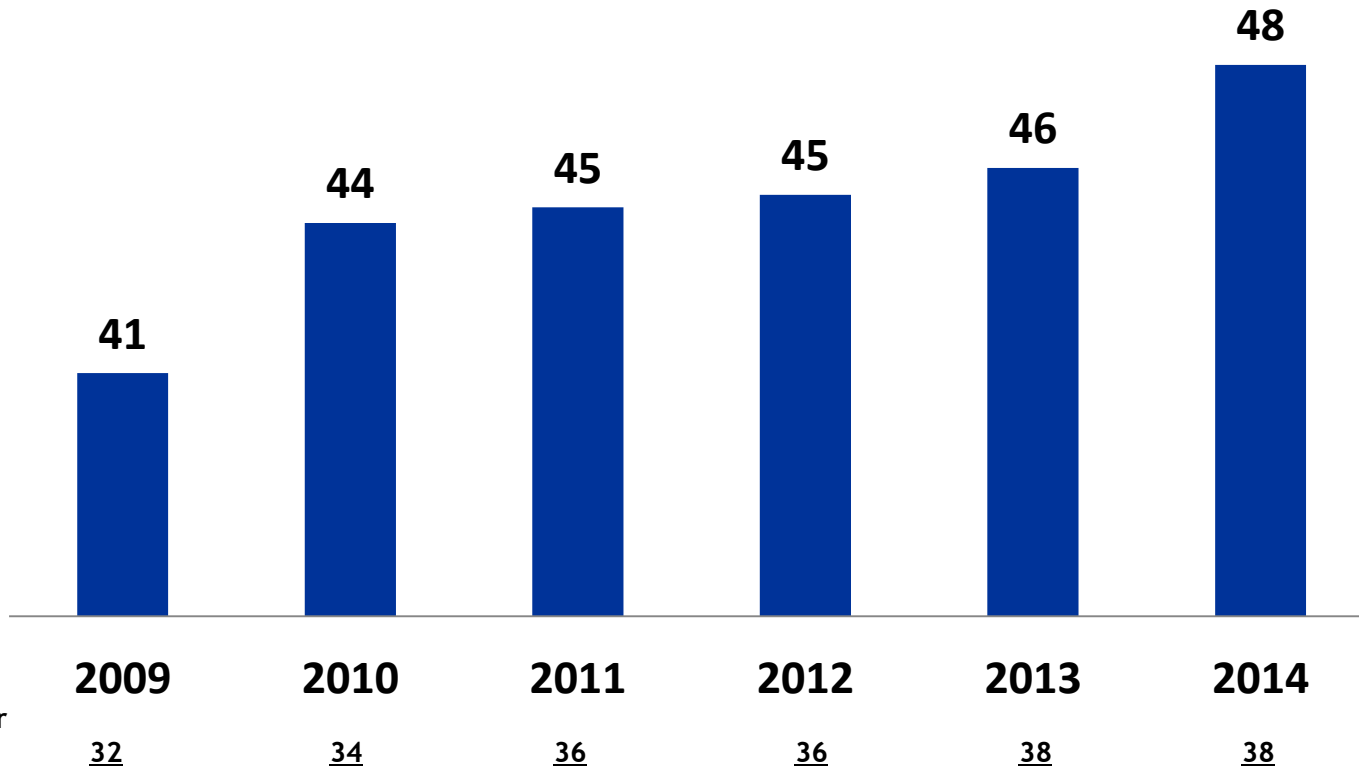
“Active” DR TV Brands: Collective TV Daypart Mix (based on \$\$\$) CY 2012-2014



Direct Response Brands Are Buying Deeper To Build An Even More Robust Television Network Mix

Current advertisers, who already buy deep, are going even deeper on their network buy list to capture consumers and maximize their reach

“Active” DR Brands: Average # of TV Networks Utilized Each Year
CY 2009-2014



**Based on brands in any category that spent \$10MM+ in national TV each year (equivalent average TV spend of the “current” DR brands)*

Source: Nielsen Ad*Views. TV includes national, spot & Hispanic; syndication is excluded due to inability to define dayparts. Network average based on “when-on” for consistently active TV brands between 2009-2014





Reflects 30 TV brands that have been active each year from 2009-2014 = 1-800 contacts, Acorn Stairlifts, ADT, Bare Minerals, Bose, Bowflex, Bradford Exchange, Craftmatic, Danbury Mint, Euro-Pro Shark, Keranique, Kidz Bop, Life Alert, Lipozene, Magic Jack, Meaningful Beauty, Micro Touch, National Collectors Mint, Nordic Track, Omaha Steaks, Pajamagram, ProActiv, Pro Flowers, Pure Sleep, Rosetta Stone, Safe Step Walk in Tub, Sleep Number, Sunsetter, Vermont Teddy Bear, WeatherTech

TV Advertising Drives Consumers To Direct Response Brands' Websites





13 out of 15 Direct Response brands (87%) showed a direct correlation between their TV spend / network depth and their website traffic

Average Monthly Unique Visitors (000) Vs. Average Monthly TV Spend (000) / Network Depth Comparison
Oct '13 - Apr '14 vs. May '14 - Dec '14

TV Spend Up, Traffic Up

	<u>Seven-Brand Average</u>				
<u># of TV Networks Bought:</u>	+7	+27	+7	+1	flat
<u>TV Spend (000):</u>	+57%	+79%	+41%	+13%	+3%
<u>Unique Visitors (000):</u>	+44%	+53%	+81%	+26%	+3%

TV Spend Down, Traffic Down

	<u>Six-Brand Average</u>				
<u># of TV Networks Bought:</u>	-5	-10	-1	-3	-8
<u>TV Spend (000):</u>	-23%	-48%	-23%	-88%	-4%
<u>Unique Visitors (000):</u>	-25%	-38%	-18%	-13%	-9%

Selected brands based on comScore measured direct response brands with 100K+ average website monthly uniques & \$1MM+ TV total spend
 Source: Nielsen AdViews; National, Spot & Syndication TV spend Oct 2013-Dec 2014; comScore unique visitors P2+. Spend & unique visitors based on Oct '13-Apr '14 vs. May '14-Dec '14 monthly averages
 15 brands: X-Out, Rosetta Stone, MagicJack, Bose, KidzBop, 1800contacts, ADT, ProFlowers, Bare Escentuals, WeatherTech, Pajamagram, Sleep Number, Nordic Track, ViVint, Proform

Today's Direct Response Brands Continue To Enter The Mainstream Lexicon Of The American Consumer

The products, their spokesmen and the slogans are ingrained in pop culture

They're parodied on Television...

POP CULTURE
Katy Perry Signs Endorsement Deal With Proactiv

By Joe Czarallo on Jan 20, 2010 · 12:16 PM

Pop singer Katy Perry is **joining a group** that includes Jennifer Love Hewitt, Jessica Simpson and Mandy Moore.

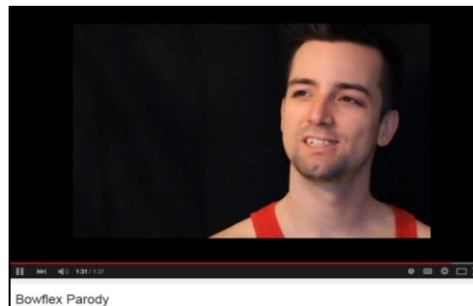
What do they have in common? They've all endorsed Proactiv acne products.

Life Alert's Slogan 'I've Fallen, And I Can't Get Up!®' Ranked Number One on USA TODAY's List of Most Memorable Ad Campaigns

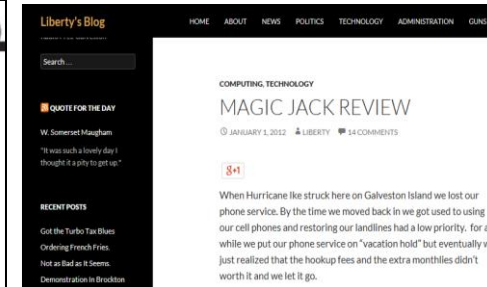
USA TODAY put Life Alert's unforgettable slogan -- "I've fallen, and I can't get up!" -- atop its list of the 25 most memorable ad campaigns, calling Life Alert's line "the best-remembered (and most-parodied) commercial phrase of the past 25 years." Life Alert's slogan originated in the late eighties, then went viral, launching a stream of standup routines, pop culture references and imitations. The catch phrase has enjoyed continuous popularity for two decades, a feat rare among brands -- and is now experiencing a resurgence of fame on YouTube and other websites.



...And by the average person on YouTube



Users incessantly blog about them...



...People post & share content on Facebook...



...And Twitter mentions are everywhere



...And They Also Have The Business Results To Back Up Their Popularity

Is Perfect Bacon Bowl the next Snuggie?
By Parag Kevlani
From Jarren holds the limited prototype (left) of the Perfect Bacon Bowl, which has sold 2 million units since November.

It's no secret that America loves its bacon. For proof, just look at the crazy success of the Perfect Bacon Bowl, As Seen on TV's newest sensation.

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10 Best-Selling Infomercial Products

1. PROACTIV

Annual revenue: \$1 billion

When it comes to its actual commercials, the Proactiv acne system has come a long way since its earliest days back in 1995, when the product's main spokespeople were its creators, Dr. Kathy Fields and Dr. Katie Rodan, and Judith Light (a.k.a. Angela from *Who's The Boss?*). Today, the zit cream company's estimated \$1 billion annual earnings afford them the benefit of **real celebrity endorsers**. Jessica Simpson, Britney Spears, P. Diddy, Justin Beiber, and Katy Perry are just some of the boldfaced names who have earned \$2 to \$3 million per commercial spot, and helped the company compete—with such mass market manufacturers as Estée Lauder and Johnson & Johnson.

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Beauty company has seen beastly side of business

Atlantic Coast Media soared, then fell, but is on the rise again

By Meg Fry, June 23, 2014 at 9:00 AM

Sometimes it takes a stumble to find the best path back to the top.

Take Atlantic Coast Media Group — a Jersey City-based beauty supply company specializing in making high-end brand products, such as Luminique and Miracle Skin Transformer, for baby boomers.

TV launched in 2008

The company grew 480 percent, to \$170 million in annual revenue, from 2007 to 2010.

MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

News People Events Jobs Resources Store

My Pillow soars after infomercial

SUBSCRIBER CONTENT: Jun 22, 2012, 5:00am CDT | UPDATED: Jul 16, 2012, 4:25pm CDT

John Vothof Jr., Staff reporter/broadcaster - Minneapolis / St. Paul Business Journal

My Pillow Inc. founder and CEO Mike Lindell says the idea for the open-cell poly-foam pillow he invented came to him in a dream in 2004. But the company's early

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'Kidz Bop 23' Heading Towards No. 2 Debut on Billboard 200 Chart

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How Shark Ate Dyson's Lunch In America

Andrew Cave Contributor

Britain's Dyson knows a thing or two about innovation and shaking up tired consumer products. But over the past year it has lost its leadership of the US vacuum cleaners market, the largest in the world.

Euro-Pro, a 100-year old company that had a mere 1 per cent share of vacuum cleaner sales in 2008, now controls more than 20 per cent of the US market.

BUSINESS INSIDER BI INTELLIGENCE EVENTS

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MagicJack Will Top \$100 Million In Sales This Year

DAN FROMMER JUN. 26, 2008, 3:55 PM 25,128 57

Here's a recession winner: **MagicJack**, the super-cheap Internet phone gadget, is flying off the shelves. And parent company **YMax Communications**, founded by telecom veteran Daniel Borislow, is raking in big money.

For Direct Response, TV Delivers Reach On A Massive Scale Enabling *Millions* To Engage With And Socialize Their Products

DR Brands have been able to effectively drive engagement and sales through their collective ***\$20 billion TV advertising investment*** over the last 10 years

“Iconic” Brands



Media Strategy

Mass Reach

Heavy TV Continuity In All Dayparts Across Many Networks

Engagement



Sales



“Active” Brands

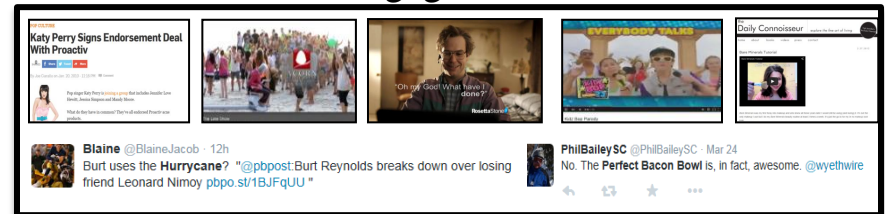


Media Strategy

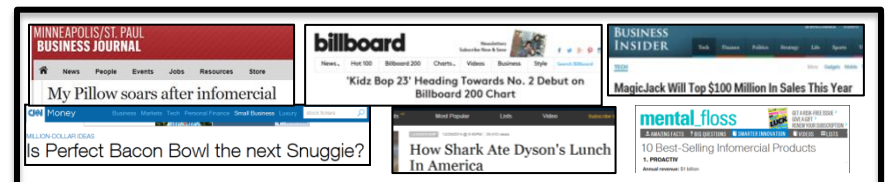
Mass Reach

Heavy TV Continuity In All Dayparts Across Many Networks

Engagement



Sales





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