

# A Guide to DRTV Terminology

DRTV stands for Direct Response Television and is defined as media activity that permits or requests consumers to respond directly to the advertiser. According to Kanter Media, advertisers spent \$4.022 billion on Direct Response Television in 2009.

TV is by far the most powerful medium available to advertisers as it can reach mass audiences, show dramatic visual demonstrations, and air emotional testimony. DRTV uses the power of TV to create the "impulse to buy" and drive sales to retail, Internet and other distribution channels.

DRTV refers to 30 second to two minute commercials (e.g., short form) or half hour paid programming made for TV (e.g., long form) in which viewers are asked to place an order during the advertisement through a toll-free number or web address. This contrasts with commercials where the objective is to increase brand awareness.

Here is a collection of terms to help you get started with DRTV.

**30's, 60's & 120's** – This is the typical length of short form DRTV spots. Often :60 spots are employed for lead generation campaigns and a combination of :30's, 60's and :120's are utilized for DRTV campaigns marketing/selling products.

**Above-the-Line** – Used to describe 'traditional' marketing activities that do not require a direct response but instead build awareness of goods or services (e.g., television and radio, posters and press).

**Ad Allowable** – How much you can afford on a cost-per-order basis. The ad allowable is the

dollar amount determined to be the maximum media expense for each unit sold in order to generate a legitimate profit.

**Adjacency** – A spot that is bought around the same time as a particular program airs, because it targets the advertiser's customers. For example, if Valerie Bertone was appearing on the Tonight Show, the media agency might buy an 'adjacency' for Weight Watchers during the show, right before, or right after the show.

**Affidavit** – A legal document that television stations provide to ad agencies confirming that infomercials ran, the specific times they ran, and the cost of those airings.

**Affiliate** – A broadcast television station that is paid for airing locally telecasted national programming for major networks like ABC, CBS, NBC, or Fox.

**Airing** – The specific time slot that an infomercial or DRTV spot will be broadcast.

**Airtime** – The time periods that a network or broadcast station will make available for infomercials or DRTV spots.

**Analysis** – After orders are sourced to their prospective airings, reports are generated in many formats to determine the financial outcome of individual airings. Follow up action includes determining budgets, rebooking and emulating profitable airings and canceling airings that are losing money.

**Avail** – An infomercial or spot time period available for purchase.

**Average Take** – A term used by continuity marketers to describe the average number of orders a consumer will make once entering a continuity program. For example, a music club member may take an average of 6 CD's before canceling their membership.

**Below-the-Line** – Traditional media term for non-mass-media advertising.

**Billboard** – The graphic information page, also known as a 'tag page' which is typically located at the end of a call-to-action. It lists various information; such as product prices, charges for shipping and handling, addresses where checks can be sent, and telephone numbers.

**Branding** – Also known as brand building. Advertising to induce the consumer to think of a specific product or name when making a buying decision.

**Brandmercial** – A new breed of infomercial where an arresting creative treatment of authentic brand image generates a lead or sale. Brand identity is magnified.

**Brand Equity** – The value or essence of a brand.

**Break Even** – Calculated in cost-per-order or ratio. Revenues that must be generated by sales in order to recapture the hard cost of product, merchant charge, telemarketing, shipping, handling, customer service, administration, royalties and returns.

**Broadcast Month** – The television industry divides the year into twelve broadcast months. Broadcast months are generally different from the calendar months. Each broadcast month commences on a Monday and ends on a Sunday.

**Call Center** – A DRTV call center is a facility that answers inbound, or places outbound telephone calls. Call centers, also known as contact centers or customer care centers, use sophisticated software to provide a full range of services.

**Call to Action** – Special act now promotional incentives and ordering information. Several are spaced throughout the production and usually display price and/or installment payment terms.

**Call Now Motivators** – Specific incentives such as premiums, discounts, bonuses, and sweepstakes which are offered as a bonus to

go along with a main product to encourage viewers to call and place an order immediately.

**Campaign** – Refers to an entire advertising program, including the planning and execution of both the production and media buys.

**Chargeback** – An investigation by an issuing bank into a disputed credit card charge, at the request of the cardholder.

**Clearance** – A term used to indicate which part of their media order, or campaign, in any given day or week was actually broadcast.

**Comparables** – A media time slot or slots that had previously aired an infomercial with a product of similar demographic appeal to the product being analyzed.

**Continuing Media** – An infomercial media time slot which produces profitable results for a number of weeks and as a result are rebooked continually.

**Converged Advertising** – A mix of mobile marketing, mass media, and non-mass media advertising.

**Continuity** – Offers having the potential for continued sales, such as ingestibles or skin care. Can be set up for "auto-ship" and payment on regular intervals that can be established on the initial inbound call or later with an outbound call. The income potential of this avenue should never be overlooked.

**Contract** – An agreement between an agency and a station that reserves a particular time period for the agency's use, usually from three months (1 quarter) to a year in length.

**Copy** – The choice of words developed by a scriptwriter for an infomercial or DRTV spot.

**Cost of Goods (COG)** – Direct costs connected with the manufacturing of a product.

**Cost-per-Inquiry (CPI)** – This is calculated by dividing the cost of media by the number of

inquiries received (e.g., a \$10,000 airing divided by 1,000 inquiries [people that call for a brochure or additional information] equals a \$10 CPI).

**Cost-per-Lead (CPL)** – See CPI.

**Cost per Order (CPO)** – Refers to the television media cost to generate one product order. The figure is determined by taking the media spend and dividing it by the number of orders received. A \$1,000 time period that generates 100 product orders would have a CPO of \$10.

**CPM (Cost-per-Thousand)** – CPM is a commonly used measurement in advertising. Radio, television, newspaper, magazine, out-of-home advertising, and online advertising can be purchased on the basis of what it costs to show the ad to one thousand viewers.

**Creative** – The conceptual and scripting development stages of the production process.

**Cross Sell** – Suggesting to a direct response customer the purchase of an additional product or service that may not necessarily relate to the original product purchased but which represents an attractive and/or limited time value.

**Daypart** – Refers to the variety of multiple hour segments within a the 24 hours of television's broadcast day.

**Direct Marketer** – A company that manufacturers or sources products, then executes a DRTV campaign while retaining ownership in the product sales.

**Direct Marketing** – The marketing of goods and services directly from manufacturer or wholesaler to the consumer, bypassing retail. Typical direct marketing channels are mail, newspapers, magazines, and TV.

**Direct Response (DR)** – The marketing and sales methodology of bypassing standard retail stores to make a product sale directly with the

consumer. Basic direct response channels are: television, radio, mail, print (newspapers and magazines), websites, catalogs, phone, electronic kiosks, and CD-ROMs.

**Direct Response Media Buying Agency** – A firm that plans and buys for infomercial campaigns for a direct response marketer. Direct response media buying firms typically also provide clients with, trafficking, reporting, tracking and campaign optimization services as part of their services.

**Direct Response Television (DRTV)** – An all-inclusive term that describes anything marketed directly over television, with prominent display of a toll-free number and/or Internet addresses, asking the consumer to take specific action leading to or making a product sale. DRTV generally bypasses traditional retail stores to make a product sale directly with the consumer, but can also be used to drive product sales at retail. DRTV is comprised of three primary marketing subgroups of short form, long form and live home shopping.

**DMA (Designated Market Area)** – TV market area defined by the Nielsen Company.

**Drag** – This refers to orders from DRTV which are placed well after a commercial airs.

**Driving Retail** – This term refers to using an infomercial or short form DRTV spots to drive sales at the retail level. Retail sales for a successful DRTV campaign are often 5-10 times the DRTV sales, since only about one out of five consumers purchase through DRTV.

**Effective Frequency** – An advertiser's determination of the optimum number of exposure opportunities required to effectively convey the advertising message to the desired audience or target market.

**Effective Reach** – The percentage of the target demographic that sees a specific brand awareness commercial the estimated number of times necessary to produce a positive

change in awareness and attitude about the product.

**Electronic Retailing Association (ERA)** – The trade organization for the direct response marketplace.

**Erosion** – The "diminishing effect" on viewership, media buy and response volume. After a specific infomercial has aired for a number of weeks/months, order response levels begin to drop or "erode."

**Fire Sale** – Last minute avail purchased at a rate much lower than the normal rate (50% or more).

**First Right of Refusal** – An agreement granting an agency the right to renew or not renew a contract.

**Flight** – A specific number of spots to air during a 1,2,3 week or more period on a specific TV station or cable network.

**Footprint** – The process of using comparables to develop a media test strategy based on a similarly positioned and targeted product that has previously succeeded in the infomercial marketplace.

**Fulfillment** – This refers to the warehousing, labeling, packaging, shipping and tracking of a product. Often fulfillment functions are subcontracted to 'fulfillment houses' who specialize in this business. Some offer their clients inbound phone customer service and merchant account services.

**Gross Media Billings** – This refers to the media costs which broadcast or cable companies charge for short form or infomercials.

**Guarantee** – An agreement between an agency and a station where the station promises to deliver a predetermined CPO or ratio, then airs as often as needed to reach the promised payout.

**Infomercial** – A 30-minute TV program the object of which is to motivate the viewer to respond directly by purchasing the featured product or service.

**IMC (Infomercial Monitoring Service)** – A media service that reports the number and volume of direct response programs aired on networks monitored and issues weekly reports ranking the leaders.

**Infomercial** – A television commercial that is typically 28 minutes and 30 seconds in length.

**Inquiry** – A term used to describe a telephone call from a prospect responding to an infomercial or DRTV spot that does not result in a completed order.

**Infomercial Retail Multiple (IRM)** – The multiple used to predict retail sales resulting from an infomercial media campaign. The multiple usually is a number between 1 and 10. If the multiple is 4, then for every product sold in the infomercial, it is predicted (or realized) that 4 of the same product will be sold at retail stores.

**Lead Generation** – A type of direct response campaign where the prospect calls an 800 number or goes to a web site to request more information about a product or service.

**Long Form** – A 30-minute infomercial. One of the two basic formats for direct response TV advertising.

**Make-Good** – An infomercial telecast or DRTV spot provided by the station or network, often at reduced or no cost, to compensate for a station mistake or poor results from a media purchase.

**Mass Market** – A product designed to appeal to all demographics.

**Market** – A distinct geographic area which is surrounding a major city or cities which is determined to be an area of dominant influence for that city's television stations.

**Master** – This is the finished edited version of a completed commercial or infomercial.

**Master Dub** – This refers to the copy of the master tape. This copy is used for editing in the 800 numbers that are used to track infomercial performance by station/networks.

**Media** – Defined as the infomercial or short form DRTV time that is sold by stations or networks.

**Media Buy** – The TV or radio time, or print space, purchased to present an offer to potential customers.

**Media Buying Agency** – An agency that specializes in the purchase, analysis, tracking and optimization of DRTV or infomercial campaigns.

**Media Efficiency Ratio (MER)** – A snapshot of a campaign's overall success or failure. The ratio is derived by dividing total sales (resulting from a particular telecast or telecasts) by the media cost. For example, if your spend on a DRTV campaign is \$10,000 and it generates \$30,000 in sales, the MER is 3.  $\text{Sales} / \text{Media Spend} = \text{MER}$ .

**Media Time** – Advertising inventory available for marketers to purchase on TV stations or networks.

**Net Media Billings** – Media costs charged by any broadcast or cable entity to advertisers for broadcasts of the infomercial or spot, including the media agency fees, but excluding media funding and servicing fees.

**One-Step Offer** – This is an offer where the viewer is encouraged to call an 800 number or go to a website now to purchase an infomercial product.

**Performance-Based Advertising** – An advertising model in which advertisers pay based on a set of agreed upon performance criteria, such as a percentage of online revenues or delivery of new sales leads.

**PI (Per Inquiry)** – An agreement between an agency and a station where the station agrees to charge for a single time period based on the number of orders received after the airing.

**Per Order Fee** – Same economics as above, except that the fee the marketer pays is calculated on the basis of orders instead of inquiries.

**Rate** – Price paid for a time period.

**Rate card** – The published asking prices for a station's time periods, usually higher than what the time actually sells for.

**Reps** – Rep firm: a company that, under contract, represents stations from around the country with the intent of selling the station's advertising for a predetermined commission.

**Response** – The results of a direct response campaign.

**Roll-out** – Following a successful media test, this is when a media campaign is expanded to stations and networks throughout the country. During this phase of the campaign media spending is increased, while maintaining a profitable ROI.

**Run of Station** – Also referred to as ROS, typically involves a short form DRTV campaign where media time is sold to a direct marketer at a discounted rate because their spots can be pre-empted by general advertisers paying higher rates and inserted during broader time periods, such as 9:00 am to noon.

**Short Form** – A direct response TV format utilizing 30 second, one-minute, or two-minute commercials.

**Source** – In order to run the reports necessary to do media analysis, responses generated by a spot or infomercial must be "sourced" or associated with the airing that generated the response.

**Spot** – A shorter length commercial equal to 120 seconds or under.

**Targeting** – Criteria used to define the intended audience for a campaign. Targeting criteria include location, device, mobile operator, time of day, and demographics.

**Test** – The first media run of any new creative. Primary objective of a test is to determine the overall strength of the creative in terms of response. Testing also determines the best offer configurations, price points and telemarketing scripts. Also refers to a spot or infomercial running in a new time period.

**Traffic** – Department responsible for generating orders to tape duplication houses for creation and shipment of tapes to stations.

**Wide Rotation** – This refers to a booking which does not specify a specific part of the day, let alone the exact hour or minute a commercial will air. Short form direct response media is typically bought on a wide rotation basis so that a broadcaster can slot it in wherever an empty spot appears. Wide rotation is much cheaper.

**Viral Marketing** – The use of social networks, word-of-mouth, and the Internet to spread an idea or sales message. Casual games can benefit from viral marketing, but more often comprise part of marketing campaigns themselves, in the form of Flash-based games played in browsers, or advergimes.

**Zapping** – When a television viewer avoids commercials by changing the channel with the remote control.

**Ziping** – When a television viewer avoids commercials by watching a VCR recorded program and fast forwarding through the commercials.

**Sources:** *CasualGaming.Biz, IAB, Microsoft, Online Advertising Glossary, SpotExchange, Wikipedia*



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