



The Anatomy of an Infomercial!

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Personally, I am an infomercial junkie - one of the millions of people who buy stuff off late night TV. I'm very selective about what I buy but the whole concept on how infomercials are created has intrigued me for years. After much research, interviews with TV writers and Matt Goldreich, President of National Media Connection (www.NationalMediaConnection.com) who produces infomercials for the mortgage industry, we hope to *deconstruct* the process for you.



Way back when, infomercials had gotten a bad rap - because of some of the sleazy products and services that were offered. However, the concept on how they are structured and how they generate thousands of telephone calls has withstood the test of time. After all, they still wouldn't be doing them if they didn't work.

Before you continue reading, let's get right to the bottom line - how much will it cost!

However, before we do that, please take a few minutes to write down what you are spending now for marketing and advertising. Let's assume that you pay \$500 per month for a monthly ad in the local real estate magazine; you buy leads for \$1,000 per month or pay \$1,000 for radio ads. It is likely that for \$1,500 you could run a series of infomercials that could bring in more leads than you ever thought possible.

Here are the mistakes people make:

Not defining your audience

Write one or two sentences about your target audience. Will they be 1st time homebuyers? Do you want to work with real estate investors? Or maybe sub-prime borrowers? The biggest mistake with TV marketing is you simply cannot be all things to all people. As the old saying goes, pick a horse - and ride it! When you determine your niche market, it's easier to choose which time slots and TV programs to position your ad.

Geographically, where do you want your message to be heard? Just your city? Cities within a 20-mile radius? Nationwide? This will have an impact on placement and costs.

Not doing your research

Fortunately, there are both big and small TV stations, different cable stations and of course a whole array of special-interest programming. For example, Comcast has 19 different "zones" in South Florida and you can choose and advertise in as many as you want.

The mistake here is to just "take the advertising person's word for it." There are many independent resources and Nielsen Media Research or Scarborough Research will give you the best-targeted programming to reach your prospects - (go back to mistake #1) whoever they might be.

Does the audience you hope to attract watch HGTV, or Monster Garage or ESPN? Each TV station has a demographic survey of their listeners which will help you choose the right times of day or night.

Not comparing costs & setting a budget

The cost to produce an infomercial could be as little as \$2,500 or the sky's the limit. Figure out what you can spend and stick with it. You might be tempted to add something here or there - but those dollars add up and before you know it, the money you would have spent to buy media spots is all tied up in production costs.

The more you can do yourself, the less expensive it's going to be. Things like writing your outline, what message you wish to convey and the reason consumer's should call you (versus everyone else out there) is the bottom line. This is not image-type advertising - you want them to call you; you want to get information into their hands; and you want to close more loans.

Once you have chosen your audience, the primary objective; the message you wish to convey, it's time to create your infomercial.

Rule #1 - Unless you are an experienced writer who can create a fast-paced sales presentation, don't even begin to write the script yourself. Instead, prepare an outline and explain why your loan type or services are better than your competitors'. It does not have to be a big difference, but something that sets you apart.

Rule #2 - Keep selling with every sentence. You are not there to look cute, but to provide information for the consumer to make a decision that you are the person they want to do business with.

Rule #3 - Keep it interesting and change the pace or topic every 60 to 90 seconds. Constantly repeat what you wish to convey - but with different words, stories, etc.

Rule #4 - Decide which of the following elements will make up the core of your presentation. It could be all of them or just a few.

TESTIMONIALS - The format presents satisfied customers talking about their product - they can either be real customers or paid performers.

INTERVIEWS - This one might show someone interviewing you or could be a panel discussion with you as the moderator. It could be shot either at the studio or on location.

CELEBRITY ENDORSEMENTS - A celebrity can add credibility and it doesn't have to be a movie star or sports hero. A local celebrity or well-respected person in your community (if

you are going for local exposure) will work just fine. By adding this element, it can make channel-hoppers stop and watch your commercial.

CASE HISTORIES - Story-telling has been around since the dawn of time and this element should be automatically included in your infomercial. Take sub-prime for instance. Tell a story about how you helped someone who filed bankruptcy get a mortgage loan and then you went on to help them increase their credit scores so you could get them a better interest rate later on.

DEMONSTRATIONS - This could include side-by-side comparisons of 2 different mortgage products. It could give 1st time buyers the data on the tax advantages of home ownership. Maybe give real estate investors the skinny on 1031 Exchanges.

CALL TO ACTION - This segment should last 30 seconds. Make it easy for them to call you. Ask them to call for a free report. Maybe a free copy of their credit report. Or even a report on "Mistakes Real Estate Investors Make when Flipping Properties". Use a toll-free number and repeat your "call to action" at least 3-4 times during the infomercial.

SUMMARIZE - At least 3 times during the commercial; summarize the most important points you wish to convey.

Matt Goldreich and Bruce Moore created National Media Connection to assist loan originators in creating infomercials and buying TV spots. What they have done for the mortgage business is to modulate each segment so you can pick and choose which best fits the audience you wish to market to - and at a fraction of the cost. Your costs are reduced because most of the writing has already been created. Here are a few examples of some of the segments they offer:

1. ARM vs. Fixed Rates
2. Home Buying Seminars
3. Rates Low Right Now
4. Pick-a-Pay Module
5. Real Estate Investors
6. Purchase Segments
7. Refinance Segments
8. Bankruptcy Segment
9. Employment opportunities

Matt says you can produce a 20-minute show, in about 2 weeks for about \$2,500 because the scripts have already been written for you. They can help you do your research and negotiate media spots for you as well.

One of the best features of their system is they can provide the toll-free number, transfer hot-leads right to your office and even record the calls to see how effective your loan officers are in getting the appointment.

Infomercials are not for everybody. It's for those who want to be more aggressive in their market place, have the back room to handle all the calls and are more media savvy because you become famous - fast!