CHAPTER

How a Niche Product Generated \$441,158.40 in Ten Minutes

Host: "Okay, we're live with our next guest, Nick Romer . . . and he brings us a brand new product today. . . ." Bang! The demonstration. The back and forth chatter. The camera angles. Handheld camera coming close. An off-stage clatter of pans. An on-air caller with a question. Blip—ten minutes. Over. Done. What? What just happened? Where am I? How did I get here?

Just like that. Ten minutes, 22,080 units, over \$400,000 in sales—seemingly unfathomable: \$44,116 per *minute*.

Host: "Nick, thanks for bringing your product to us today. . . . "

Huh? Screech. Halt. Snap back to reality.

Let me put that in slow motion. Forty—four—thousand—one—hundred—sixteen—dollars—per miiiiinnnnnuuuuute. This is *not* the part of the story where the writer interjects, "and then he woke up." It's the part of the story where I come forward and say, "That's what happened to me." This is my story. What happened to me is what happens to many others just like me every day at QVC. Everyday people with a new or existing product, broadcast into the homes of millions of people, are generating millions of dollars in sales.

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The possibility of this happening once you're lucky enough to step on the set at QVC in the small Philadelphia suburb of West Chester, Pennsylvania, all comes down to numbers. Millions of people watching, a small percentage of them dialing in to buy, and you're on your way to selling thousands upon thousands of units in virtually no time at all.

QVC—the largest home shopping channel, whose name stands for *quality, value, convenience*—is the power of leverage at work, and leverage is the vital component of any product and business success story. If you're reading this book and you have a product already developed or you're thinking of one, you've undoubtedly walked this problematic path before. How do you maximize your marketing efforts using as little human and fiscal resources as possible?

Whether you are an entrepreneur, small business, and even an established business with a substantial budget, your success is contingent on making smart marketing decisions that go a long way for as low a cost as possible.

When I first came to QVC, I did just about everything for my business. I created the products, I researched and contracted for the material involved in production, wrote the directions that went into the kit, created the Web site to support the product, researched trade shows for exhibiting, built the trade show displays, made the product samples—the list goes on and on, but it begins and ends with smart marketing.

I estimate the amount of time I spent marketing my products out of my then 70- to 80-hour work weeks was—sadly, but all too realistically—about 6 hours a week. If you're doing just about everything in your own business like I was, you know what I'm talking about. For others, trust that what I'm saying is true. It's a sad fact facing most entrepreneurs and small businesses in the beginning of the growth stage.

The tighter your budget or timeline, the more important it is to make connections with companies that can allow you to maximize your efforts using as little resources as possible. It's critical for profits and growth, and it's important for penetrating the market quickly. By finding QVC, I gained a massive lever under arguably the largest obstacle facing any new product—marketing. With this

one connection I essentially gained a workforce numbering in the thousands—people taking phone calls, fulfilling product, operating cameras, marketing—all supporting my product during any given on-air stint.

But what is even more remarkable about my experience on that particular day is that I was selling a niche product. *A niche product* is something that is manufactured and marketed for specialized uses. By its very nature, it only appeals to a small part of a given market.

The fact that I sold over \$400,000 of a niche product is hard to believe for many, given that when you tune in to QVC—or any other home shopping show or infomercial, for that matter—what you usually see are products that fit into the very description of mass appeal. These are items like jewelry, fitness equipment, weight-loss products, or fancy kitchen gizmos—things that attract large numbers of people because they are used by many people and have a place in every home. A large market plus large appeal add up to a greater chance of success.

But in my case, the phenomenal numbers QVC and I put up on the board that day (and for many appearances thereafter) came not from a mass-market product, but from a plastic template system that shows how to make your own gift bag out of any kind of paper, called the Kreate-a-bag[®].

Now, you might be seeing a big red flashing sign in your mind inscribed with the simple question, "What?" But that is exactly my point. My product appeals to only a small part of a medium-sized industry—crafts. However, I was showing it to millions of eager people at the same time on the largest home shopping channel in the world. It might not have been a piece of exercise equipment, but I exercised leverage in a big way that day!

At the same time, it's important to understand that not every item on QVC is a runaway success because of the massive exposure. You do have to have a great product, and the Kreate-a-bag® was and still is just that. This is not a shameless plug, but the Kreate-a-bag® is not only the first template system that shows anyone how to make their own gift bag, it's also easy and fast. Plus, it has the vital component of emotion built into it because it provides gratification to the users when they custom-make a gift bag as part of their gift to a loved one.

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Additionally, it saves people money. At the time of this particular big day on QVC, a single gift bag cost about \$5. So, by allowing an individual to make their own, they only had to make four bags to pay for the \$20 kit. The point is this: Although the massive exposure is critical, it's not the only reason behind your product's success. Demand and innovation play a vital role as well along with a host of other variables. (If you are curious about the Kreate-a-bag® you can view a short video of how it works at www.GreenSneakers.com/giftbag).

There are only a handful of places where a small or large business can sell 22,080 units in such a short period of time, and QVC is on the top of the list. In addition to the exposure and the benefits of your product, however, there are many other elements that lead to success.

When you are on-air, it's like having your product next to the cash register at your local superstore, and two million people are standing there at the same time looking at it, thinking about putting it into their cart as they check out.

The big difference is that the person working the cash register is a trusted friend that you see all the time, and your friend is demonstrating the item to you while the other two million people look over your shoulder. After five minutes, you've all seen how it works and what it can do for you.

But wait, there's more. In the middle of the demonstration, someone in the line behind you shouts, "I bought one, and it's awesome. In fact, I'm here to buy another one." Short of being able to touch it, now you're confident that it's what you've been wanting all along, and it is at your fingertips. You make your move and take it home with you.

The Kreate-a-bag® was not the first product that I sold on QVC. It was my second. I had been successfully selling my first product, the envelope template that I mentioned in the introduction, for a couple of years. Then, one day, my buyer asked, "So, what else do you have?"

I thought to myself, what more do I need?

"Bring us something else related to the envelope maker," she said. Now, I hadn't really given much thought to expanding. Back then I thought I was going to be a one-hit wonder. I was proud of it, and I was taking the ride for all it was worth. After all, I didn't know anything about crafts. I was a jock in high school. I liked to be outdoors. I didn't know anything about retail, and I didn't want to learn. The Kreate-a-lope® was it for me and was all there ever would be for me. It was a goldmine. I was going to make millions of dollars with it, then retire to live a life of leisure. These were my thoughts. Foolish, short-sighted young man I was at the time.

When the buyer asked me for a complementary product, I realized I had nothing to lose. I wasn't doing anything else. So, I went home and started toiling, and I came up with my second item. My agent and I made the presentation a short time later, and much to my surprise, the buyer turned to me and said, "Let's do a key launch."

"Uh, okay," I responded. She looked at me like I knew what I was doing, like I knew the rules of the game at QVC. Whatever she said, it sounded good to me. They use a lot of terms like this at QVC to signify big things. I looked at my agent and said, "I'm in, but what's a key launch?"

In short, a key launch back then was a bigger-than-usual introduction of a new product that would get promoted in advance of its on-air debut. The item would also get promoted heavily on the day of the appearance, and, if needed, would air as many as four times in one day.

Today, QVC still does key launches but they're generally scheduled for two appearances. And there are other promotions that include host promos, power promos, one-time offers, and the big everyday promo—the most coveted of all—the TSV. *TSV* stands for today's special value. QVC begins selling the TSV at midnight and continues selling it throughout the day in as many as 12 spots. At the writing of this book, TSVs are expected to sell a minimum of \$1,400,000 in one day with many being prepped for numbers as high as \$2,500,000.