



A Business Approach to Special Interest Videos.

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First Version

This PDF book is designed to help you get started in the Special Interest Video market. We are going to cut through the hype that surrounds this market. We are going to approach this like a real business and not like a “get-rich-quick” scheme.

There are videographers making money at producing and selling their own special interest videos (SIV), including myself. But, I am going to be honest with you, not everyone is successful. This is common in any business environment, not just the Special Interest Video market. For every business person that is successful, there are dozens who are not.

I have found a lot of websites (and some videos and books) with the focus on how you can make BIG money from producing DVD videos. They state that you can quickly and easily produce very profitable instructional DVDs, even if you have no experience in video productions. They talk about how lucrative this type of business is and anyone can do it.

Then they focus in on how you can make \$100,000 or \$250,000 or even \$500,000 a year. They will even show you some examples, where if you produce a video and sell it for \$39.95 and you sell 100 copies a month you’ll make \$3995.00 a month. In one year you’ll make \$47,940. And wait! If you produce 5 videos and you sell 100 copies of each video per year you can make almost \$240,000 in just one year. And they go on and on.

While this can be true, they make it sound like it’s going to happen automatically. They go on to over simplify the process of marketing your video. Their pitch is to simply set up a free or low cost website and watch the money roll in. Or, sell your videos on Ebay for \$50 or more and you can sell hundreds of copies each month. Remember, all of this with no experience necessary.

All you have to do is get out your video camera and get out your credit card so you can purchase their package for \$200 to \$400 which will show you how to get started in this

lucrative business. Sometimes they will even throw in a few bonus DVDs just to get you to buy now.

Guess what? They are the ones making big money off of you.

Now, I am not saying they don't have some good information, but it tends to get lost when the focus and talk is about how easy it is to make money in this market. When you get the materials, generally the information will be presented in such a way that you will be excited about this market and all the money that can be made and how simple it is going to be.

So can you really make money with Special Interest Videos? The answer is YES.

However, this is a real business and you need to treat it as a business if you are going to succeed. You need to cut through all the hype and wipe the dollar signs from your eyes before you begin.

In order to understand the SIV market and learn how to succeed in it, we are going to look at both the successful producers and the producers that were not successful. Luckily, I was fortunate to be one of the successful ones.

The Early Years

We are going to start by looking back to the early 90's when the Special Interest Video market started heating up.

Producing Special Interest Videos was so hot at the time, you could find videos, books, magazine articles, even seminars and workshops on the subject. While most of these sources provided some good information, the information tended to get lost in all of the talk of the easy money to be made with Special Interest Videos. A lot of these sources also tended to over simplify the whole process. (These problems still exist today).

Most of the time marketing the Special Interest Video was also glossed over or again, over simplified. Their advice was all you needed to do was send in press releases to the magazine on your video or to run a small classified ad in the newspaper or to set up an Internet website using one of the free web hosting services that are around. The few that did talk about using direct mail or running a display ad in a magazine, tended to give very vague information which never really explained what was involved.

Because of all the excitement surrounding the SIV market back then, a lot of people became disillusioned and started putting out videos on a wide variety of topics. Many had no appeal to anyone other than themselves. This was their big mistake.

They were putting out videos such as these:

How to Have Yard Sale
How to Find Treasures at a Yard Sale
Detail Your Car Properly
How to Pack a Picnic Basket
The Proper Way to Shampoo Carpets
50 Household Cleaning Tips
How to Care for Your Hamster
The Proper Way to Shine Shoes

And my favorite....
Tips on Cleaning a Horse Stall

The list goes on and on.....

I am not kidding! These are actual titles of videos that people produced and everyone of the producers honestly thought their video was going to be a goldmine for them. Unfortunately, these videos never sold.

My First Video

The first video I produced was on How to Upgrade Your Tandy 1000 Computer. The Tandy 1000 computers were not 100% PC compatible and the upgrades were not always straight forward. In this video I showed people how to install the various upgrades in their computer.

Tandy had 16 models of the Tandy 1000 and the upgrading could be different depending on the model. The video covered topics such as how to install hard drives, memory, sound cards, video cards, etc. When the video was finished I sent it in to several computer magazines. Some were general computer magazines and some were specific magazines for the Tandy Computer. The specific Tandy Computer magazines loved the video and it got some great reviews.

However, the general computer magazines didn't respond. Except for one. I got a call from the editor and he laughingly said that I had missed the market entirely and that I had made a big mistake producing a video on the Tandy 1000 Computers. He told me I should have made a video for the PC market. He said the Tandy market was so small, I'd never sell any videos.

All I can say was, he was wrong. In the first year we sold over 2500 copies of that video at \$39.95 each. We brought in around \$100,000.00 in sales. (NOTE: I did not say profit. I said sales.) Not too bad for someone who missed the market entirely. What was

interesting was that later in the year, I got a call from that same magazine asking me if I wanted to advertise the video with them. They said the video would be perfect in their magazine. I laughed to myself and declined. Frankly, it was better for me to spend my advertising dollars with Tandy specific magazines.

I noticed about 6 months after our video came out several other people came out with videos in the PC market. A few months later they were gone. I called one of them and talked to the gentleman who produced the video. He said that he had seen our video and thought they could do it better by making it for the general PC market. He wanted to sell it to every PC owner out there. The problem was it didn't sell.

He said that he realized he made a major mistake when almost every person asked him if he had a video on their specific computer. When he would try to explain that the information in his video would help them perform the upgrades they were looking to do, they still passed on purchasing his video. Plain and simple, they wanted information on the brand of computer that they owned. His video was just too general and not specific enough to any one computer brand.

Now think about this. Let's say you had a Sony Z1U HDV video camera, which would you buy, a video that would cover general video camera operations or a video that was specifically for the Sony Z1U? Almost every owner would buy the video for the Sony Z1U.

You would think this would be a no-brainer, but a lot of people who have gotten into Special Interest Videos miss this point. Some of the most successful Special Interest Videos are on very specific topics.

I have read posts on the Internet from self proclaimed experts in the SIV market, saying that unless the market is a half a million people or larger, you'll fail. This is false. When we came out with the video on the Tandy 1000 Computer, the magazines we advertised in were only reaching 80,000 people. Where as the gentleman that produced a video for the general PC market was advertising in a magazine that hit close to 1 million people, and he was hardly selling any videos.

Again, the difference was our information was very specific. It was on the Tandy 1000 Computers and that market was large enough to provide us with a base of people to be successful with.

Some of the SIV producers that didn't make it were ones that let their egos set them up for failure. They were producing videos on topics that they thought people would want information about based solely on their own opinion. They didn't research the market to see if there was a need for the information. They let their egos rule. They wanted to produce a video and make a ton of money. They were blinded by dollar signs and they couldn't see if there was a need for their information. Here is an example.

Now don't laugh, but one lady produced a video on making your own cat toys. I am not kidding. She felt that since she liked to make her own cat toys for her cats, that other cat owners would too. She spent a lot of money on advertising over a 6 month period of time to only sell 3 or 4 videos. Needless to say she was very disgusted with Special Interest Videos and spent a great deal of time on the Internet venting her frustrations. (This is why I take what most people say about a product on the Internet with a grain of salt).

She sent me a copy of the video to watch and to see what she did wrong. The production values were great. However, it was obvious she hadn't thought about the market. The video taught you how to make these cat toys for about \$5 to \$6 each. They took about 20 to 30 minutes each to make. After watching it I thought, you can buy a cat toy similar to this for about \$3 at the store. Why would anyone spend \$30 on a video to show you how to make a cat toy at home for more money than it cost to buy the cat toy at a store?

When I asked her that question, well, let's just say she didn't respond too well. It was obvious she hadn't thought about that.

There was one husband and wife team that I knew who actually took early retirement from their jobs to cash in on the SIV market with a video titled, "How to Organize your Garage". They figured it would be a sure winner since most people complain about having to clean out the garage and keep it organized. They felt their video would show them how to get it organized once and for all, and have fun at it. As you can guess, it flopped.

They weren't alone with their SIV failure. Other people who got caught up in the fad started using the Internet message boards and newsgroups to vent their frustrations. I remember one website that had a message board dedicated to producers of Special Interest Videos. While some good information was passed back and forth, it quickly became a place to complain and bad mouth the SIV market. It didn't take too long before the Special Interest Market started getting a bad name.

While all this was going on, some producers, such as myself, were making good money from Special Interest Videos. So how did we succeed, while so many others didn't?

The answer is simple: **We didn't fall for the hype, but treated this as a real business and selected topics where there was a need for the information.**

In all those articles, videos, seminars and workshops, there was some good information mixed in with all the hype. The problem was, most people didn't focus on the good information, they got caught up in the excitement and saw dollar signs before their eyes. They only focused on how much money could be made and not how to make it.

I attended one of these seminars and saw this first hand. While the seminar had a lot of good business information, most of the people in the room focused only on the money they could make. During the breaks, I talk to some of the other people at the seminar and

the first thing I noticed was the dollar signs in front of their eyes had affected their hearing.

For example, I met a guy named Harrison, who I kept in touch with over the years. The only thing Harrison could talk about was how he was going to quit his job and do this fulltime. When I asked him what the topic of the video was that he was going to produce, he replied it didn't matter. He was going to make a ton of money.

He then, very excitedly asked me, "Weren't you listening to them? You could produce a video on anything and it will make you a fortune." Wrong! The truth was I was listening and they never said that.

They were stating, that with the right topic, for which there was a demand for information, you could do very well with a video on that topic. You would need to market it correctly, price it so it would sell and if it sold well you could make a nice profit. However, because of the way the material was presented, most people were not paying attention to these little details. The seminar was presented in such a way that you would be all excited about this market and all the money that could be made and it was going to be simple.

When the seminar was over, I went to dinner with several people, including Harrison. All through dinner, the only thing they could say was "Make a video, make \$250,000". Whenever I started talking about good topics for a video or marketing the video, the general response was "Don't worry about it. Just make a video and you'll make a ton of money". It was obvious, once these people heard how much money could be made, they tuned out everything else that was said during the seminar.

Harrison did take early retirement and after about 6 months he proudly sent me his first video with a letter saying this was the one. It was going to be a goldmine. He expected within four years to have made a million dollars for this video. In his letter, he said his wife was going to taking early retirement too, so she could handle the video duplication and fill the orders.

So what was his million dollar video on? "How to Build a Work Bench for Your Garage". I am not kidding!! Needless to say, it flopped.

Not only was it on a bad topic, but he didn't really market it. Harrison told me he took two classified ads out in a local newspaper. You know the ads, three lines for three days for just a few dollars. That was it for his marketing.

Harrison never sold a single copy and he was one of the first people I saw on the internet bad mouthing the SIV market.

Harrison was just one of the many people I knew who failed in the SIV market.

However, at the same time, there were people who were making very good money producing Special Interest Videos. People were producing videos such as “How to Use the Panasonic MX-50 mixer“ and “Video Tour of Gettysburg Battle Field“ as well as how to train dogs, how to train horses, home remodeling video, exercise videos, learning videos for kids and the list goes on and on. I was producing videos on how to upgrade different models of Tandy computers. We were all making a great deal of money with our videos, simply because we didn’t listen to all the hype. We had produced videos on topics that people really wanted more information on and we put a lot of effort into marketing them.

By the mid to late 90’s the SIV market started to cool down. During the late 90’s several people approached me to buy out their SIV businesses, which I did. To name a few, they were Steve Bolander of VideoCam Productions, Mike Yeager from Knowledge Path Videos and several others. The number of people producing Special Interest Videos for videographers had dropped down to just a couple of us.

This cool down in the market wasn’t happening only in the videography market, but in other markets too. Fewer and fewer people were producing Special Interest Videos. Some of the ones that were, were looking to get out of the market and move on to other things.

Fast Forward To Today

A lot has changed since the 90’s, especially in the way you can market your videos. Today it’s like being on the ground floor of the SIV market all over again. We are starting to see a new surge of videos coming for videographers and other markets. We are seeing a new group of people producing Special Interest Videos and they are profiting from them.

First and foremost, producing Special Interest Videos is a business, not a get rich scheme. Those who succeeded didn’t have dollar signs in their eyes, they approached the Special Interest Video market as a business and the money followed. They approached the market with the intent of providing information that people wanted or demanded. That was a key statement so let me repeat it one more time.

They approached the market with the intent of
providing information that people wanted or demanded.

Things to Consider When Selecting a Topic For Your Special Interest

No matter how good the production is or how much effort you put into marketing, if people aren’t interested in the topic of your video, it just isn’t going to sell. It’s that

simple.

When selecting a topic for your video, it can be helpful if you have an interest in the topic. This will make it easier for you when you produce the video. For example, let's say you are into model railroading and decide to produce a video about model railroading. You will have a great deal of information into the model railroading market that will be helpful to you, such as:

You already have some knowledge about model railroading.
You know what magazine and books are out there for model railroaders.
You probably know about websites for model railroaders.
You probably know other model railroaders that you can consult with.
And you probably know what other videos are on the market.

This information will be beneficial to you as you produce and market your video.

On the other hand, if you are a model railroader and decide you want to do a video about painting with watercolors, something you have no knowledge about, it might be a problem for you. Unless you enlist the help of people who are knowledgeable about painting with watercolors and who know the market.

Choosing the right topic for your video, can make the difference between success and failure. Earlier I listed a few videos that didn't sell too well. Now, here are a few examples of video that HAVE sold very well:

Training Your Rottweiler
Winning Horse Show Techniques
How to Video Tape Legal Depositions
HandsOn Guide to the Sony Z1U and FX1 HDV Camcorders
Basic Photography - Getting to Know Your Nikon Camera
Wiring Tips and Techniques For Your Model Railroad
Learning to Paint with Watercolors
Training Your Quarter Horse

The one thing all of these videos have in common is they are geared toward people's hobbies or interests, AND they have a market that is large enough to support the need for a video. Although these markets may not seem large, they are large enough to support a video on a specific topic.

The best selling Special Interest Videos have always been on specific topics that people want to learn more about or something they need training in. In other words they are videos for a market niche.

I know some people reading this will turn their noses up at working in a market niche. After all, they want to hit the big markets and make a ton of money. Don't we all? The

problem is, they usually don't have the resources or million dollar budgets to advertise in a big market (I.e. National TV, major national magazines, etc.) and therefore they end up going nowhere.

You can be very successful producing Special Interest Videos for smaller markets. A lot of successful SIV producers create videos for the niche markets.

Research Your Topic

Before you begin any special interest video, it's best if you do some research by finding out if there is a market for the information.

Back in the early 90's all the videos on producing SIV's said to look at books and magazine for topics that would make a good video production. While this advice is still valid, times have changed and you need to do a little more research than that.

Here are some ideas for researching the market and what you should find out.

1. How large of a market is it?
2. What is the age break down of this market?
3. What is the income level of the consumers in this market?
4. How much do they spend in this market?
5. Where are they located?
6. What type of products do they use in this market?
7. What is the experience level in this market?
Are they mostly beginners or are they intermediate or experienced?
8. Is this a seasonal or year around interest for most of the people?
Example, Snowmobiling is a little hard to do in the middle of summer.
9. Are there other videos in the market already?
If so, don't worry. I will explain later.
What is the price of the videos on the market?
10. Is this a hobby, recreation, business market, etc. What type of market is it?
11. Are there magazines for this market?
12. Are there Internet sites for this market?
13. Will people pay for this information?
14. Are there books on this topic?
15. How many people can use and will want this information?

The more information you have on the market, the better educated decisions you can make.

If there are magazines for this market, visit their websites. See if they have circulation or demographic figures on their website. If not, either email or call them. Most magazines, through their own research, have compiled demographics on their readership. Explain to

them that you are coming out with a product and you would like to get some information on advertising, circulation figures and demographics.

Next, see about buying a few back issues of the magazines. This way you can see what their articles are like, who is advertising and what size ads advertisers run.

Then start searching the Internet for websites that are in your market. Search for other books or videos on the topic you are thinking about. If there are other videos, keep track of how long the video is, what exactly it covers and how much it costs.

Back in the earlier days of Special Interest Videos, there were two popular ways to find out if there was a market for a video. The first way, was to run a small test ad, usually a classified ad was recommended. If you got enough orders for the video, the idea was to hurry up and produce the video, while sending out a letter to the people who did order, that the video was delayed and would be coming out shortly.

This is NOT recommended

Too many people got themselves into hot water this way, by either taking too long to come out with the video, which angered a lot of customers, or, they never got around to producing the video at all, which was even worse.

The second way was to run a small ad, again usually a classified ad, offering a free report on the topic. This report could be a few pages long and usually wasn't too detailed. This method allowed people to see if there was enough interest and they could build a mailing list of people who did show interest. The problem with this method was, it only showed the people wanting free information. It didn't show the people that would pay for the information. A big difference!

One gentleman mailed out around three hundred free reports in a three month time frame. He produced the video, advertised in the same magazine where he ran the free report, and mailed out a flyer to all the people that requested the free report. His results after about three months was around five videos sold.

So why did the video fail, when the report did so well? The report was free. People didn't want to pay for the information, but for free they would take it.

Find out as much as you can about the market you want to produce a video for. Do your research BEFORE you start shooting your video.

Spend some time on message boards on the web. Ask some questions. Find out if there would be any interest in a video you are thinking about making. You will get almost instant feedback.

Also, read the messages that are being posted. Sometimes you can get some great ideas

for videos that way. I know of one gentleman who did just that. He was on several message boards or forums in the online Corvette communities. He came out with several videos on maintaining your Corvette, all based upon questions he saw that were being asked over and over again. He simply looked back through the old messages on the forums to see what questions people had on a routine basis. (Most forums have a way to do this). He compiled a list of questions, did some research, and produced several videos which he sells online and through dealers.

For those of you who are going to produce a video on a certain piece of equipment or a software package, you can see how popular the product is by using Ebay. Simply go to the Ebay website and search that piece of equipment or software. For example, let's say you want to do a video on the Canon Rebel XT digital camera. Do a search for that camera on Ebay. When I did this on the day this was written I got over 1500 listings for this camera. (Not accessories but the camera itself.) This told me this is a very popular camera and a video on this camera would do well.

During your research, if you find the topic isn't interesting to a large enough market, you may want to reconsider producing that particular video. Now, let me say this. Some Special Interest Video producers understand they are working in a very small market and that selling only a few copies of the video each month is fine with them. I have found these videos usually support a product or offer a service. They are not relying solely on this video to support them.

Selecting a Topic

When producing your first special interest video it is always best to produce one on a topic that you have knowledge about.

While there are thousands of topics out there to produce a video about, we are going to take a quick look at three topics that people tend to think of first, although they have some special things to consider.

First Topic.

Travel Videos. From what I have learned is : don't make them unless you are contracted to by an outside firm. Too many special interest video producers have tried to make travel videos and rarely does one succeed with them. In our research, not too many people buy travel videos, they rent them or borrow them from a library. There are exceptions to this. For example, let's say you are going to produce a video on a popular tourist destination. Before you begin full production, talk to the merchants in the area and see if they will sell your video. You may need to show them some sample footage or a trailer of the video. Unless you have a marketing outlet already set up, you may find it hard to sell them in a general market.

Also, please don't try to turn your vacation video into a travel video. That is generally a disaster. If you really feel strongly about producing a travel video, then do it right. Plan it out. Do it correctly. Watch other successful travel video series and pay close attention the production values and the camera work.

Second Topic.

You have come up with an idea to produce a video on a particular software program. Let's say you want to produce a video on Adobe Premiere, the video editing software. While these types of Special Interest Videos often sell very well and you can make a great deal of money with them, their time in the market is limited. As soon as the software company comes out with a new version, you will find your sales taking a nose dive.

The best way to prevent this from happening, is to lay out your video so you can re-edit it quickly and easily to add the new features of the software program to a new version of the video. While this takes a little bit of planning on your part, it will be well worth it in the long run.

Third Topic.

Equipment Videos. These are very popular and profitable. If you produce a video on a video camera, your video will tend to have a longer shelf life even after the camera has been discontinued. The reason is, there is usually a secondary market or used market for older cameras. Case in point, my company has an instructional DVD for the Sony VX-1000 and VX-2000. Even though both of these cameras have been discontinued for a while, the video is still a fairly good seller for us as people are buying these cameras on the used market.

You probably have seen a new camera come out and within a month of it's release a video is out. Most of the time, the producer has everything ready to go so when the camera hits the market. All that is left is to produce a video and they are all set.

If you are planning on coming out with a video on a new release of a camera or software package, it's best if you have as many things done before you start production. This way as soon as the camera or software is released, you will only need to concentrate on the production and editing of the video.

What about test marketing? How do they know the video will even sell? In this case, this is a calculated risk the producer makes. If the video is on a popular software package or a cutting edge camera, the odds are it will be a popular video. For example, when Sony released the FX-1 and Z1U HDV cameras there was so much buzz about them on the web before the cameras were released, that the odds were a video on these cameras would be a hot video. Shortly after the cameras came out, the video was released and sales for the video were fantastic.

If these cameras had been geared toward the consumer market, where camera models change almost every year, chances are the video would not have done too well. But,

instead these cameras were geared at the semi-pro and pro markets where they generally have a longer life in the market place.

If you decide to do a video on a video camera or digital camera, don't do a video on the lower end consumer cameras. Most consumer digital cameras or video cameras are designed to be a point and shoot type camera. The higher end digital SLR cameras and the higher end video cameras are going to have so many features, that most people will want some type of instructional video to help them get up to speed, instead of reading a confusing manual.

Test Marketing

Test marketing your video or researching an idea for a video is a lot easier today with the help of the internet. There are newsgroups, blogs, forums, message boards, web sites, etc. that are all good places to get feed back to a video you are planning on producing. You can post comments or questions on the topic of a video that you are thinking about coming out with. You can read messages and see what people have questions about and determine whether or not a video might be needed. I've seen some people come right out and say they are planning on producing a video on a topic and then ask for input on what should be covered.

When testing an idea on the Internet just make sure you are posting on message boards, newsgroups and blogs that are in your market. Also, you should post to more than one message board. The more feedback you get, the better you will be informed as to whether or not you should move ahead. With the internet, you should know within a few days to a week, whether or not there is enough interest on the topic you are planning a video for.

Another way to test market your idea for a video is to set up a website, either about the video or on the topic of the video. If you go this route you will need to do a little marketing of your website in order to get the word out there and it may take longer to get the feed back you are looking for. More on internet marketing later on.

Some people prefer not to do any test marketing, as they don't want the idea of a video to leak out before they come out with it. This way, no one else will beat them to the market with a similar video. This can be a valid point. However, if you ask questions or make comments on message boards or newsgroups about the topic, chances are you won't tip anyone off.

Not everyone is into test marketing. Others I have talked to felt that based on the information and questions they are seeing on the web, that a video on a certain topic would do well. To their credit, most of them have been correct. Case in point, the video on the Sony FX-1 and Z1U.

Whether you choose test market or not, we suggest you do some market research before producing your video. Again, the Internet is an excellent place to do your research. Don't overlook books and magazines. A trip to the local book store or magazine shop is well worth your time, even if you are using the internet for research.

Market Research

If you are going to do a video on organic gardening, make sure you contact all of the magazine publishers of gardening magazines. Have them send you a media kit with the demographics of their readership. You will find a wealth of information on the market as a whole. In addition, pay close attention to the magazine publishers who feature organic gardening, since that is what you are thinking about producing a video on.

I recommend trying to get two years worth of back issues, or at a minimum one year's worth. This is especially true if you are going to advertise in the magazine. You may have to pay for them, but it is a small price to pay for the amount of information you can obtain.

Now some of you might be thinking, why bother with back issues of a magazine especially with all of the information on the web?

There are many reasons and we will get started on that topic right now.

First, when you get the magazines start going through them and see what topics the articles are on. They will provide you with a wealth of information and ideas for topics in your video.

Second, grab some paper or make a spreadsheet of the following information:

1. Make a list of the number of pages in each issue. This can show you if the magazine is growing, shrinking or holding steady with regards to the size of the magazine. You can see if the magazine gets smaller during certain times of the year. If so this can indicate when the slow season is for the magazine and for this market. This can help you adjust your marketing efforts. Whether or not you plan on advertising in the magazine, it helps to know when the slow season is for a particular market. Most businesses have a slow season or slow time of the year.
2. Make a list or a spreadsheet of the number of advertisers each month and the ad sizes each month. Below is a sample of what I am talking about.

	# of Page	# of Advertisers	Full Page Ads	2/3 Page Ads	1 Page
1/1/2006	64	36	7	3	4
2/1/2006	72	36	7	3	4
3/1/2006	72	44	9	5	1
4/1/2006	80	54	12	8	1
5/1/2006	96	62	16	7	1
6/1/2006	96	66	16	7	2
7/1/2006	96	66	17	6	2
8/1/2006	92	60	17	6	1
9/1/2006	80	58	14	2	1
10/1/2006	80	46	12	2	6
11/1/2006	62	34	7	1	6
12/1/2006	62	32	7	1	6

This type of information allows you to learn that the months from April to October are the best months in this market. You will see the magazine not only increases in the number of pages each month, but the number of advertisers increase, as does their ad sizes.

Most magazines will not give you this information. Why? Because they are going to want you to sign a twelve month contract to advertise with them. They don't want new advertisers to see what the experienced advertisers already know, that the market is very seasonal.

The experienced advertisers already know that their sales drop off in November through February. So they generally won't spend their money on larger ads. They will start downshifting their ad dollars to smaller ads or no ads at all.

This information also tells you when would be the best time to launch your video into this market. How many of you would launch the video in November? How about April? If it was me it would be April just as the market is heating back up.

Having information like this can help you make informed decisions and it can help you determine any sales trends. For example, you launched the video in April and over the next few months the video sold really well. Then comes September and sales start to drop a little and even more in October. Then comes November and sales drop to a trickle. You might start to panic over sales. However, armed with the information in the spreadsheet, you would know that you are heading into a normal slowdown for the market. This allows you to adjust your ad spending and other business costs. Plus, you will know when you have time to start working on your next video.

Also, being armed with this information can help you when it comes time to run ads in

that particular magazine. We will discuss that later when we talk about advertising.

3. As you are going through the magazine watch for articles that are multi-part. Where the article spans several issues. Generally, these are articles are on topics that will make a good video. After all, if the magazine went in depth covering the topic, it's usually a good sign the information is important to the readers. Thus, a good topic for a video.

When doing research for your video, a trip to the local bookstore can be worth while. Keeping with the idea that you are coming out with a video on organic gardening, check out how many books they have on the subject. You may even want to pickup and read some books to expand your knowledge and to be able to offer some different ideas and tips that you may not have thought of.

Take note how the books written, see how it moves from topic to topic. This can be an aid for you in laying out the flow of information in your video.

What happens if you go to the bookstore and find 50 books on the topic? Is the market saturated with information from the books? Why bother making a video when there are so many books available? What if there are already a video on the topic?

These are all good questions, so let's answer them.

First, if you get the bookstore and see 50 books on the topic then there must be a great demand for the information. After all, book publishers are not going to put out that many books if there wasn't a demand. Have you ever seen 50 books on how to make cat toys? No.

Second, is the market saturated with information from the books? Well maybe if you were righting a book. But you are producing a video. If there are 50 videos on the market for your topic, you might want to select another topic.

Third, why bother making a video with all those books. That's easy! Most people learn better by watching something being done, than reading about it. With a video you can show them something that is being done from several angles while it is actually being done. A photograph in a book is nice, but watching it being done in a video is much better.

Fourth, what if there is already a video on the topic? Generally, this is not a problem. We'll say you want to produce a video on how to use a Canon digital camera and someone already has a video out for this camera. You are going to need to make yours different. There are lots of ways, such as, more in depth explanations of the features. More examples of each feature. Show different techniques in using the camera. Present the information in a different way so that is easier for the viewer to understand. The list goes on and on.

Just because there is a video covering the topic you are thinking of, don't let that stop you. What I found interesting was, a few months after the Sony FX1 and Z1U video came out, another producer brought one out. Now most people would think, sales would have dropped. But they didn't. They actually went up. It made people even more interested in information on this camera. A lot of people told me they bought both videos and learned something different from each video.

If it is a topic people are passionate about, chances are they will buy all the information they can get their hands on.

You have your topic, so are you ready to start production? **No, not yet.**

Making Your Videos Specific

This is where a lot of SIV producers go wrong. They have a topic for a video, they've done their research and they make a fatal mistake. They make their video very generalized so it will appeal to a larger group of people. They forget to make sure the video is specific.

For example, just don't make a video on how to use a HDV video camera. Make it on how to use a specific camera. Always remember, people want specific information, especially if it is a training video.

Here is a real life example from one SIV producer I know.

Tom decided to make a dog training video. The production went well. When the video was done, he placed ads in several main magazines for dog owners. He had the video priced at \$29.95. He was all set to sit back and get rich. But he only got a few orders.

When we were talking one day, I explained to him that he needed to make the video breed specific. He thought I was crazy and I know a few of you are thinking the same thing right now. However, even though you have just narrowed your market down, you have just increased your chances of selling the video. Why?.....

People want information on their specific breed of dog. Tom wasn't buying it. I explained that each breed of dog has different traits and temperaments, that can result in different needs and training techniques that need to be used during the dogs training.

If someone owns a Rottweiler, then they are more likely to buy videos that show a Rottweiler being trained. Wouldn't you? Tom still wasn't convinced.

To prove my point, Tom and I went to dog obedience training class. When the question was asked, everyone said, they would prefer to watch the same breed of dog that they owned, being trained on the video.

Several people pointed out that they wouldn't buy a book on training a Beagle if they owned a Rottweiler and for them, the same held true with videos. Seeing the same breed of dog that they have being trained, brings up the value of the video in the eyes of the customer. Bottom line, people want and will pay for specific information.

Next we showed them a few minutes of Tom's video showing a German Shepherd being trained. Then we asked everyone if the video was worth \$29.95 to them. Not even the lady that had a German Shepherd thought the video was worth \$29.95. Now I have to admit I was a little confused at this point. The woman with the German Shepherd I thought would be at least interested in the video. When asked why she wasn't interested she replied she would pay double if the video was about German Shepherds. Tom and I were a little surprised, but I quickly realized that even though she saw a German Shepherd in the video, the title didn't reflect that. Therefore, she didn't think the video would apply to her.

Almost everyone there said, they would have no problem paying \$39.95 for a video on the breed of dog they own. That's \$10.00 more than what Tom's video was selling for.

After that, Tom went back and pulled the video off of the market. Since the original video was shot using a German Shepherd, he changed the title of the video to The Easy Way to Train Your German Shepherd. He kept his ads in the same magazine, he simply changed to ad to appeal to owners of German Shepherds.

The first month the new ad hit, sales took off and he was planning more videos each one covering a different breed. It pays to make the video specific.

This brings us to the next subject...

Produce More Than One Video On The Topic

If the topic and material allows, spread the information out over several volumes. It's not always possible or practical to do that, but if the material will allow it you might think about it.

We will use the dog training video as an example. With this type of video you could break the training down into several volumes. Here is an example:

Basic Training For Your German Shepard
Intermediate Training For Your German Shepard
Advanced Training For Your German Shepard

You will not only increase your dollar income by spreading out the information over

several videos, but you are actually building more value into your videos. Tom's customers told him they like seeing several examples of each training step, especially when shot at different angles. When he re-edited the footage showing the training from different angles, the video became a three hour video. Tom then decided to create three one hour videos which has worked well for him.

The more videos you have on a particular topic the easier it is for you to spread out your marketing cost over several videos and this can increase your profit.

For example, each of Tom's videos sell for \$39.95 each or all three for \$99.95. Some people will only buy each video as they need it, however with our experience, as well as Tom's, most people will buy all three volumes at once.

When deciding whether or not to create multiple volumes of a video, you need to be realistic about it. Don't do it thinking it will make you more money. You need to have the information to fill multiple volumes. If you don't have enough information on the topic, then keep it in one volume.

I've seen one SIV producer try to stretch out the material, just so they could make two volumes. They added a lot of fluff material just to pad out the video time. The end result was, the video was so slow and boring, it didn't hold the viewer attention and they got a lot of complaints about it. They ended up re-editing the video back into one volume and it went on to do very well for them.

Keep Producing Videos

While you are working on your first video, keep notes on a second or a third video. The way to make money in this market is to have more than one video to sell. The more videos you produce, the more money you can make. Each video will add to your overall profit.

This is ONLY an example, if you produce only one \$39.95 video and you sell only one copy a day at 365 days that equals \$14, 581 in sales.

Now, if you produce five videos and they each sell for \$39.95 and you sell one copy of each video a day (or five videos a day) for a year you would make \$72,908 in sales. That's not too bad. If some of the videos you were selling are multiple volume sets, you could be making even more.

I know of quite a few SIV producers who easily make a six figure income from just the couple of videos they have. This is not to say you will, but you might. All I am saying is there are people doing it.

A lot of people enter this market with very unrealistic expectations. They truly expect to make a million dollars off of their one video. I am not saying it is not possible, I am just being realistic when I say, don't expect it.

Now you could be one of the lucky ones and create a very big seller and make a lot of money off of just one video. But the truth is, the more videos you produce the better your chances are for success. Again, I am just being realistic.

Keep in mind that not every video is going to have high sales numbers. That's okay, you are building a business and remember, Rome wasn't built in a day either.

The title of this book is "A Business Approach" to Special Interest Videos. So we are not going spend a lot of time on the production side. We are only going to give you some tips and some things to think about.

BEFORE You Start Production

So you are now ready to start production. Here are a few tips that most people overlook when producing an SIV tape.

1. Always keep this in mind, you are producing a Special Interest Video that provides good information for the viewer. You are not producing "Ben Hur". There are no chariot races or the need for a cast of a thousand extras. Too many SIV producers try to turn their videos into a major motion picture. You are not working with a \$50 million dollar budget (if you are, call me!), so don't try to create an epic film. Keep things simple, clear and concise.

2. Save time during production and editing with pre-production. Don't be in a hurry to jump in and start shooting the video. Create a storyboard or an outline of the video. Use this to write down the shot you want do and what you want to cover with that shot. By creating a storyboard or outline of your production, you get a chance to see what information the video will contain and you can make sure that you are covering all the topics in the correct order.

You don't need to create a storyboard as detailed as the kind they use for a Hollywood movie. Your storyboard or outline can be done on 3 x 5 cards with just a quick couple of notes as what you want to cover in the shot.

I know creating a storyboard or outline is a pain, but it can be a real time saver during production as it gives you a road map for shooting the video. There are a lot of things to remember during production and post-production. With a proper outline or storyboard, you will reduce the chance of forgetting a shot or forgetting to edit in a scene.

3. During pre-production, make a check list of everything that you will need and know its location. Organization is the keyword here. The more organized and prepared you are, the less problems that will crop up during production. You would be surprised at the horror stories I've heard over the years, all because people were not organized when they were in production.

4. Rehearse. Rehearse. REHEARSE! Don't just try and wing it on camera. If you are interviewing someone, go over the questions in the order you will be asking them. Let them rehearse their answers. The entire production will look better as you or your talent won't be standing there going "uh" before every question while they think up an answer.

5. Turn off the red tally light on the video camera or cover it up with a small piece of black tape. Some people are distracted when they see the red blinking light. It can also make the talent tense up, as the red blinking light is reminding them that they are "on camera". Also, don't shove the video camera into someone's face. Keep the camera back and zoom in a little if you have to. Remember, you need to keep the talent comfortable, even if you are the talent.

6. We always try to make two masters of the raw footage at the same time. Put the video tape in the camcorder and connect the output from the camera to a recording deck. This will give you two copies of the original footage in case there are any dropouts or problems with a scene you will have a second copy to fall back on.

7. Try to monitor the sound during production. This will alert you to any problems with the audio, such as dropouts, static or hissing. It is always easier to re-shoot a scene while everything is setup, than to re-shoot at a later time.

8. Don't cut corners with the audio and try to use the on-camera mic. This is the biggest audio mistake that new SIV producers make. Use a shotgun mic, a boom mic, a wired mic or a wireless mic system. Your customers must be able to hear what is being said clearly. I have seen too many good SIV tapes that were ruined, because the producer used only the on-camera mic and the talent could not be heard. Audio quality is as important as the video quality.

9. Do a complete system check to make sure you are recording the video and audio. This is something that should be done before each scene.

10. During a production or when you are doing post-production is not the time to play with a new camera or piece of equipment. The time to do this is before or after the production. Too often a producer gets sidetracked in learning how to use a new piece of equipment and this can delay the production of the video.

11. During production try to keep distractions to a minimum. Here are a few examples:

A) Take the phone off the hook.

B) Keep the number of people in the room down to a minimum.

- C) Keep disruptions to a minimum. If you are shooting at home, enlist the help of a friend or relative to take the kids or pets while shooting.
 - D) Keep the temperature of the room cool or colder than normal. When the lights come on, the room will get warm real fast. As the room warms up it can make everyone on and/or off camera to become uncomfortable and distracted.
12. If you are shooting over two or more days, remember to keep wearing the same color clothes. I once watched a very good SIV tape, but the one thing I noticed was in the opening, the woman had a blue shirt on, then in the next scene she was wearing a white shirt. Throughout the video, her hair style changed once and she had worn five different shirts. While this is not a Hollywood production, take a lesson from Hollywood, watch the wardrobe. Also, dress nicely. Don't go on camera with a t-shirt that says "Beer Time" or something like that.

The Production

I am going to assume you know how to shoot and edit. If you don't please get some instructional videos, such as **How to Shoot Super Videos** (available from www.studio1productions.com) And practice, practice, practice before you begin your production.

If you just got a new camera or piece of equipment, now is not the time to learn how to use it. Make sure you are familiar with all of your equipment and how the camera responds under different lighting condition before you begin your production. The last thing you want to is have your talent or people who are helping you, standing around while you learn how to use something. This may seem obvious, but I have seen this happen on a set before.

If you don't know too much about shooting and editing, you might consider hiring a professional videographer .

Another option is to contact a local community college and talked to the person in charge of the media department. They can usually recommend some students, which in turn will shoot and edit the video for practically nothing. I know of a few people who have successfully done this.

One SIV producer, Nancy, who came out with a series of videos for the ceramic market used two local college students to shoot and edit her video. They were thrilled to do it. They did it for \$200, screen credits, plus pizza and soda. She was the on screen talent and sat in with them on the editing. It worked for her, she went on to produce ten videos with the two students.

On Screen Talent

Once again don't overlook the local colleges for talent. Another source can be actors

from local theaters or playhouses. Most of the time you can find talent for little or no money. Most of them want screen credits and a copy of the video that they can use as part of their resume.

When it comes to on screen talent, make sure you get a signed talent release from everyone that is on camera. If the video takes off and becomes a best seller, having a talent release will protect you from anyone appearing in your video coming back for more money, etc.

A lot of SIV producers will put together a nice looking set in their basement or a spare room. While your set doesn't have to be elaborate, it should be nice looking and be well lit. If you decide to use a living room or a den as a set, it's best if you remove all personal items and photos, as they can be distracting to the viewer.

If you are doing a video that requires you to be in a workshop or garage, try to clean the area up as best as you can. If you are doing a video on woodworking, people will expect you to be in a woodworking shop and not in a set. The same thing goes if you are producing a video on how to use a video camera. They are going to expect you to be in an editing bay or on a set and not in a woodworking shop.

Some SIV producers will use the outdoors as their set. Depending on what your video is on, this can work great. Just make sure there is nothing distracting in the backgrounds.

Below are some production tips:

- * When you're shooting your video keep in mind how you'll be editing your video.
- * If possible, do several takes changing the camera position or angle. Go from wide, medium and tight shots. This will provide you with more flexibility when editing.
- * Remember, you can't fix everything during the editing process. It's better to reshoot a scene than trying to fix it in the edit.
- * Give yourself plenty of time for setup and shooting.
- * Many videographers begin shooting when they press the "Record" button. Try to get at least five seconds of pre-roll and five seconds of post roll for each take. This will be helpful during editing.
- * Keep the camera stable. Use some type of camera support such as a tripod, video camera shoulder brace or monopod. It can be difficult to edit or watch jerky video.
- * Try to avoid holding the camera, unless it is necessary.
- * When you pan or zoom, hold on the subject for at least a few seconds before zooming or panning.
- * Keep your zoom speed steady. This sometimes can be difficult with the zoom rocker on the camera. They can be very touchy and jump to the next speed setting ruining the shot. Try using a zoom controller that allows you to have a fixed zoom speed, such as the **ProZoom** controllers.
- * Pay attention to the exposure. You might want to consider using **WarmCards** to give a warm, comforting look to the video.
- * Don't forget about the audio. Viewers may forgive a bad shot, but if they can't hear

what is being said, they will be unhappy.

- * Don't use the camera's built in microphone. Use either a wireless mic, shotgun mic or boom mic setup. We have said this before, but it is important enough to repeat it.

- * Always monitor the audio with headphones. If the camera has audio level meters pay attention to them. Make sure your audio levels are correct.

- * Check your audio on your talent before you press the record button and don't adjust the audio levels once you are recording.

- * Try to shoot some "B-Roll" footage. This is footage that you can cut away to or from.

- * Keep a tape log. Label each tape with the date or sequence.

- * Use a [clapboard](#) or scene slate to keep track of the takes and scene, along with a shot log. This can be very helpful during editing. If you know a scene 16, take 1 was not good, you can mark it down on the shot log. Then during editing you'll know you can skip that scene and take.

- * If you're not using tape and using a tapeless AVCHD camcorders, then label a file folder with the scene and take. Again, keep a shot log.

Don't worry if you are going to be a one person production, where you are the crew and talent. A lot of SIV producers work this way. Just remember, don't create a talking head video. Just make sure you vary your shots and camera angles. Use a variety of wide, medium and close up shots.

One last thing, stay on topic. I've seen a couple of instructional videos where the person goes off topic and starts talking about things that are not relevant to the video. For example, one 2 DVD video set was on a 3D software program. While the person was talking about how to use the program, he started talking about ways to store your data disks. He started showing different boxes you can get at any office supply store. Another time he started talking about different computer desks. None of this was relevant on how to use the software. It was merely filler material so he could end up with a 2 DVD set.

Post Production

Again we are going to assume you know how to edit. If not, like we said earlier, hire someone. Once again the local community college can be a great source for help.

A way to improve the quality and professionalism of your video is through the use of [video backgrounds](#) and [royalty free music](#) available from Studio 1 Productions.

Using the right style of music can set the mood and tone to the video or to the shot. The same can be said of video backgrounds. Using video backgrounds throughout the production can be a real time saver and greatly improve the overall quality of the video. They are great to over lay titles on, especially between topics in the video.

Editing Tips

- * Still photos and video backgrounds are great for overlaying titles to tell the viewer what they are going to see next. This also tends to bring up the production value of the video.
- * B-roll and graphic elements are good transitional elements.
- * Make sure the video has a good rhythm and flow.
- * Keep a nice pace throughout the video.
- * Watch the audio levels. Don't let the audio levels go from low to loud between scenes. Try to keep the audio level fairly even. Otherwise, you'll drive the viewer nuts by causing them to constantly adjust the volume on their TV.
- * Every editing package comes with a ton of transitions. That doesn't mean you need to use each one of them. Straight cuts and dissolves are the most common because they are not as noticeable as say shatter, fly-on effect, etc. Wipes are great for going from one distinct scene to another.
- * Lower 3rds are useful when you want to overlay a title at the bottom of the page. For example, when interviewing someone place a lower 3rd graphic on the bottom of the screen and then place the name of the person being interviewed.
- * After you finish your first cut of the video, watch it with others. Listen to their feedback. Is it a clear presentation? Does it move too slow or too fast? Is the audio clean and level? Does it cover everything you wanted to cover? Don't be afraid to go back and tighten up the editing.
- * Editing involves a lot of creative elements. Take breaks during the editing to keep your mind fresh.

Should I quote prices for equipment in my video?

Try not to verbally quote prices in your video. For example, if your video is about setting up a home theater system, don't stand there quoting the prices for the equipment. It is okay to say this is a low priced system, this is a medium priced system, etc. The same goes for quoting equipment model numbers, don't verbally quote the model numbers. Prices and models numbers will change year to year, this will make your video outdated very quickly.

In the long run, it is best for you to create a title page that displays the prices or model numbers that you can insert at the appropriate places in the video. This will allow for easy updates. Just do a simple re-edit of your video inserting a new title page in place of the old one.

The exception to this is, if your video is on a specific piece of equipment. Of course, you will have to list the model numbers. However, try not to quote prices, again use a title page as prices change.

Marketing Your Video

Before you decide on a price for your video, you will need to know what your marketing expenses are, what your costs going to be, and what the market will bear.

Getting an Overview of the Market

Start by seeing if there are other videos in the market place and what they are selling for. Knowing how much others are charging for videos in the market can be a guide for you to determine what the market will bear. No doubt you'll find that some markets are very price sensitive.

Next, see what size ads other people are running for their videos. You might want to create a spreadsheet or chart with the following information.

- * How many videos are they offering?
- * Do they advertise every month or just every few months?
- * Do they run a display ad or a classified ad?
- * Is the ad in color or black and white?
- * How many magazines are they advertising in?
- * Do they sell direct to the customer or through dealers or both?
- * What is the price of their video(s)?
- * How many videos are they offering?

You may come up with a few other questions of your own, depending on the market for the video. By creating a spreadsheet or chart, it will give you an overview of the market and what others are doing in the market. Now I am not saying to follow everyone else, but the information that you have collected will be of use to you.

For example, let's say you are producing a video on how to use an XYZ video camera. In the marketplace there are several others with videos for videographers. Videos on lighting, editing, etc. And the people selling these videos through small ads like a 1/6 page ad or a 1/9 page ad. By knowing this information, you may want to start off with a small ad also, instead of a larger ad such as a 1/3 page or half page ad.

Remember earlier when I said you should order at least a two years worth, or at a minimum of a year's worth of back issues of any magazine you want to advertise in? Well here is another reason to have them.

Go back through them, find everyone advertising instructional videos and see if their ad size has changed up or down. This type of information can indicate if the videos sell better at certain times during the year, which in some markets they do.

If you notice that an advertiser starts out with a half page ad. But then reduced the ad size down to a 1/4 page for a few months and then reduced it down to a 1/6 page ad and kept it

there, this might indicate that they were not profitable by running the larger ads, but they were profitable with the smaller ad.

You can learn a lot by having this type of information and it can help you make a more informed decision when it comes to running ads.

Magazine Advertising Secrets

How to Determine the True Circulation of a Magazine

When trying to market your SIV video, most of us turn to magazine advertising. Magazine ads can be very expensive, so the first thing you need to know is how many people does the magazine reach. After all, you want to make sure you are spending your money with the right magazine.

Now, some of you might be thinking that all you have to do is call the publisher and they will tell you how many people the magazine reaches, right? Not necessarily! The magazine ad reps will most likely quote you a readership figure. This is how many people they assume read the magazine. In reality they may not even print that many magazines! There is a game that is played in the magazine world and it has to do with the readership numbers or distribution numbers.

For example, a magazine may tell you that your ad is going to reach over 70,000 readers, but they only print 35,000 magazines each month and 10,000 of those magazine go to dealers or newsstands for sale. That leave only 25,000 subscribers, but remember they told you that your ad is going to reach 70,000 readers. Well, maybe not.....

Now, you are probably a little puzzled on how you are going to reach all 70,000 readers, when they only print 35,000 copies. It doesn't make sense, does it? This is because some magazines base their figures on what they call a pass along rate. This is where the magazine publishers feels you will pass the magazine on to someone else once you have finished with it or if the magazine is going to an office then they will count a few more readers to that one issue, since it is going to be seen by other people in the office. Also, if the magazine is going to a library they will count that as several readers. These are just a few of the ways they add in the number of readers to their magazine to get their readership numbers up.

Have you ever filled out a reader response card? On some of them, they will ask you how many people are in your office. If you fill out this box, then that is how many people they will count as reading this magazine. Clever little trick, isn't it? While not all magazine do this, quite a few do.

Other magazines will give you distribution figures instead of readership figures. The distribution figures are how many copies of the magazine are sent out each month. But,

you still have to be careful with the distribution figures. I know of a magazine that sends out complimentary subscriptions to institutions and businesses to help boost the number of magazines that are distributed each month. Some of these institutions are prisons, school libraries, mental health hospitals, nursing homes, etc. While it is fine that they are sending free copies to these places, these copies are not reaching your target market. After all, not too many prisoners are going to be placing orders from the advertisers. Relying on only distribution figures may not give you a clear picture of the readers that will be seeing your ad.

As you can see, there are lots of ways the magazines can fudge their numbers. When you run an ad in a magazine, you really need to know how many of these people are qualified readers. I have found that the reader that has paid money for a subscription to receive the magazine is the qualified reader. That's why I recommend to only look at the number of paid subscribers.

If you ever come across a magazine that will only quote the readership figure or the distribution figure for the magazine, ask if they are ABC (Audit Bureau of Circulation) audited. If they are, ask for the most recent copy. This will give you a lot of information about the magazines sales, including the number of paid subscribers.

If they are not ABC audited, there is another way to find out the number of paid subscribers. At the end of the year, most magazines have to publish a "Statement Of Ownership, Management and Circulation". This is required with magazines that are mailed out second class mail. They print this statement once a year and it can generally be found in the November, December or January issue of the magazine. Don't expect this statement to jump out and grab you. It is most likely going to be buried someplace in the back of the magazine, with very small print, so you are going to have to look hard for it. In some cases they may reprint a reduced copy of the actual postal statement, which will make it easier to read.

So what does this Statement Of Circulation tell you? In the statement they will list, Paid and/or Requested Subscriptions, Sales through Dealers or Newsstands, Free Distribution, Left Over Copies, and Returns From Dealers and Newsstands.

These are the real numbers. When I personally place an ad in a magazine, I look at **ONLY** the number of subscriptions. I don't bother with the Sales through Dealers or Newsstands. The reason is, some Dealers won't send back the copies that didn't sell. Instead, they may resell them to a magazine shop that buys back issues. We have a magazine shop like that in the area. Here you will find back issues to magazines that are anywhere from 10% to 50% off the cover price and some of them are up to 18 months old. Most people that purchase old magazines are buying them for the articles, not to see what's new from the advertisers. You might be asking, why don't they just send the magazines back and get credit for them. Well, it really depends on the distribution agreement that they have with the magazine. Some magazines are sold at a lower price to the dealer, if the dealer agrees to keep all unsold issues.

For example, the magazine may have a cover price of \$4.95. The dealer may pay \$2.50 per issue on the agreement that there is no return privilege if he can't sell all of the issues that month. On the other hand, the dealer may pay \$3.95 per issue and then have the right to return the unsold copies for credit. Some magazine publishers don't want returned copies from dealers, as it lowers the total number of magazines that were distributed for that month and that lowers their overall distribution figures. Since I really don't know how many copies from dealers are really making it to customer hands, I don't count those sales.

What happens if you want to run an ad in a small magazine or newsletter that doesn't print a Statement of Circulation? They are mailed out using a bulk postage permit then they had to fill a form out at the post office each time they do a mailing. This will be their paid postal receipt stating how many pieces were mailed and it should be stamped by the post office.

If they are mailing out the newsletter or small magazine and using stamps.... I would be careful, as you will have no idea how many people they are really mailing out to.

Back when I was selling the SIV tape for the Tandy 1000 owners, I ran an ad in a small magazine that was geared towards one thousand owners. In a letter the magazine sent to us, they stated, "we have over 4800 subscribers". We ran a half page ad in the magazine for three months. Our sales were terrible, however, in other magazines, such as PCM magazine, our sales were great.

I called the magazine's publisher and asked him exactly how many subscribers he had to the magazine. This time he claimed over 7,000 readers. I asked him how many of the readers were subscribers. Well, for the next few minutes I got the run around. I then asked him point blank, for a copy of the paid postal receipt that he has to fill out when mailing the magazine out first class bulk mail. He said that he didn't have to fill one out. At that point I knew he was lying, because he was using a first class bulk mail permit number on the magazine. I called the post office where he had the first class bulk permit from and asked them if he was filing a form 3600-R each time he was mailing out the magazine. They confirmed that he did. I called the publisher back and told him that post office had them on file and I informed him that I wanted to see a copy.

To make a long story short, about two weeks went by and I received a copy that was stamped by the post office, to verify it was real. It showed he was only mailing out 524 copies each month. He had committed fraud, by stating in the letter that he had over 4800 subscribers, when in reality he had only 524. Needless to say, we received a refund for the three ads that we did run and we got several months of free advertising. After that we never advertised with them again.

It's important for you to make sure your ad is really published. Don't rely on just a tear sheet. (A tear sheet is where the magazine sends you a copy of the ad, that they have

ripped out of an issue.) Ask for a copy of the entire magazine, this way you can see where your ad was placed in relation to the article content. Most publishers do this automatically. If they won't send you the entire issue, be careful about advertising with them.

Back in the mid 80's, there were computer magazines popping up everywhere. For that matter, so were computer companies. Some of these magazines were nothing but advertising scams. They would line up advertisers, print only a tear sheet and mail the pages out to the advertisers. They never printed any magazine and the advertising was never seen by any potential readers.

Bottom line, the advertisers were ripped off. These fake magazine companies would close up after a few months, and move to another town and open under a different name. This problem with the fake computer magazines doesn't happen often, in fact it is rare in most industries. However, it is something that everyone should be aware of.

If a publisher contacts you to advertise in their magazine, and you have never heard of them, ask them send you 4 to 6 back issues before you advertise with them. Check out the magazine before you sign up and run an ad. You may even want to start with a small ad to see if you get any response. When placing ads in magazines, be careful of the publisher or ad representatives claims without written proof like we described above. You could be paying for a very expensive ad, that really isn't reaching all the people that the magazine claims.

Qualified Subscribers

In the video market, like other markets, there are magazines that are available only to qualified subscribers. They may offer a paid subscription or be available on the newsstand, but the bulk of their readers are from free subscription to people who "qualify" for them. Who meets the qualifications will depend on the magazine. With some magazines everyone will qualify.

You have to be careful when advertising in magazines that are free for qualified subscribers. When someone is paying for a magazine, they have enough interest in it that they are going to want to read it. After all, why pay for a magazine that your not going to read? And those who do pay for a subscription are more likely to take their time going through the magazine, which will improve the chances of them seeing your ad.

With the free magazines, the reader doesn't have an investment in it. After all they didn't pay for it. So they may not pay as much attention to it as they would a magazine that they paid for. Now I realize that some people will read them cover to cover, but there are those who will just flip through the magazine and toss it out if they didn't find an interesting article. In the end these people will not see your paid ad.

Something I want to point out, is magazines that are primarily qualified subscriber based are depending on the advertisers to cover all the cost of the magazine, including the distribution cost. Which can mean the ad rates might be higher than magazine that rely on paid subscribers.

Running Ads in a New Magazine

From time to time a new magazine will come in to the market. When they do, if you are advertising in another magazine, they will usually contact you about advertising with them. Here's a few things for you to consider before advertising with them.

1. What do their ad rates look like? Are the higher, lower or about the same that you are currently paying?
2. Are they offering any "introductory" advertising deals?
3. How are they going to distribute the magazine? Through dealers, subscribers, etc.
4. How many subscribers do they have?
5. Are they paid subscribers or are they free issues going out to "qualified" subscribers?
6. How did they qualify or obtain these subscribers?
7. How many issues are they going to distribute?

These are questions you need to ask them before you advertise with them. In the past I've seen magazines come on to the market, then only after a few months they fold.

Don't ever pre-pay for advertising with a new magazine no matter how good of a deal they offer you. I know of a few people who did this, only to never see their ad run because the magazine never got published. When they tried to contact the magazine to get their money back, they found the phones were disconnected and mail was being returned to sender.

About a year ago, I got a call from a publisher coming out with a new video magazine. They told me they had 30,000 qualified subscribers and the magazine would be coming out in a few months. Something didn't sound quite right to me. How did they get 30,000 qualified subscribers? The magazine hadn't even been published yet and it wouldn't be for a few more months.

Next, they mailed a very nice slick looking media kit minus any sample issues. The media kit contain several pages of information about the magazine, the demographics of the readers, the rate card for the display ads and on page stating they had 30,000 qualified subscribers. When I contacted them about how they got the 30,000 qualified subscribers, I was given very vague answers. Something else that made me uncomfortable was their advertising rates. They were downright expensive. More expensive than any other magazine.

However, they were offering a special discount to try them out for just three months. You could save 30% off whatever ad size you wanted to run with. All you had to do was pre-pay for the three months.....

I decided to pass and not advertise with them. To this day, I've never seen any magazine, nor have I ever heard from them again.

Small Magazines and Newsletters

There are some markets where you will only have small magazines or newsletters with a small circulation base. In these markets if you want to advertise in print publications you will have no choice but to run ads with them. Just be careful and watch how much they are charging for ad space. Also, make sure you know how many people they go out to.

Over the years I've talked to a few SIV producers who do work in very small markets that offer only newsletters or small magazines. They have reported that their sales are fairly good in this type of publication.

However, my experience has only been in markets where you have **large** magazines supporting the market, along with a few of the small magazines and newsletters. My experience has been the small magazines or newsletters never produced enough sales to cover the cost of the ad.

Also the advertising rates in these newsletters and small magazines will vary greatly. Some of them feel that their ad rates have to be in line with what the big magazines are charging. This is fine for them, but as an advertiser you have to watch how you spend your advertising dollars, as you want to reach the most people you can with each advertising dollar spent.

I ran a test several years ago where I ran an ad in one small magazine, which had gone out to about 3,000 people who belong to a professional organization. I didn't get any sales off the ads I ran with them. I even went so far as to run a 15% off coupon in the ad and I still didn't get any response.

When I ran this ad, a 1/6 page ad in a larger magazine that reached 45,000 people cost \$600. While the same size ad in the small magazine that reached 3,000 people cost \$600.

Let's do the math.

\$600 to reach 45,000 = 0.014 cents per person.

\$600 to reach 3,000 = 0.20 cents per person.

As you can see it was more expensive to advertise with the smaller magazine.

Media Kits

Whenever you contact a magazine about advertising make sure you ask them to send you a media kit. The information you can gain from a media kit can be very valuable and it can give you some insight into the type of people who read that particular magazine.

A Media Kit will generally include:

- 1) A sample issue of the magazine.
- 2) A rate card - explaining the advertising rates, allowable discounts, positioning, etc.
- 3) Advertising specifications - listing the dimensions for the different ad sizes, what is needed for black and white and color photographs, what material is camera ready, etc.
- 4) Circulation information - Depending on the magazine this maybe nothing more than a cover letter stating the number of “readers”. With most magazines this information will be a little more detailed. You will find demographics on the readers and other statistical information.

Here is an example of statics from a video magazine:

eo Camera	Currently Use	Plan to Buy
DV	40%	22%
HDV	31%	15%
HD	17%	10%
Other	12%	11%

Animation

3D Animation	12%	15%
3D Modeling	10%	14%
D Animation	6%	3%

And so on.....

As you can see this information can be very useful. It allows you to get a profile on the type of people that read this magazine and where their interests are in relation to your product. Sometimes they will go as far as listing the income brackets for the readers or the amount of money they spend towards their interests.

As an example, we will say this magazine has a subscription base of 100,000 and you are thinking about running an ad in this magazine for a video on an HDV camera. Using the above information, you can see there are 31% or 31,000 readers of this magazine that own an HDV camera, with another 15% or 15,000 readers who are planning to buy an HDV camera. Meaning that almost half of the readers of this magazine are your target market.

Now let's say you are doing a video on 2D animation. With only 6 % of the reader using 2D animation, you might do better finding another magazine that specialized in Animation. If you are dead set on advertising with them, another possibility is when the ad rep calls, you can always use their own statistics to work out a lower ad rate, since their magazine doesn't hit a lot of people with an interest in 2D Animation.

I have used this type of information when negotiating rates with some magazines. When the ad rep called back, I used their own statistics to lower our advertising rate by nearly half. I do want to point out that there were a few magazines that would not budge on their rates. But it never hurts to try.

Tracking Your Sales

A lot of advertisers I've talked to over the years don't track the response they are getting from their ads. They haven't the foggiest idea which ad or magazine is pulling the best response. They're just happy because they are making money from their videos. However, if you think about it, they could be wasting money on ads that are producing enough sales to cover the cost of the ad.

One of the most single important things you can do for marketing analysis is to ask the customer this following question. "How did you hear about us?" Then write down the response, keep it in a log or track it with a spreadsheet. This information is vital, as you are going to want to know which magazine is pulling the best for you and which ones you are losing money in.

By tracking all of our sales, at the end of the day, week, month or year, I can tell you exactly which source of advertising (including which magazine, internet, mailings, referrals, repeat sales, etc.) are generating sales and how many sales from each source. Armed with this information I know exactly where to spend my marketing money and where not to.

(NOTE: I have been asked many times about my software package that I use to run the business. It is a custom package that I wrote myself. At this time it is not for sale, but who knows, maybe down the road it will be.)

Some books I've read and people I've talked to say, advertise everywhere. If the customer sees your ads everywhere, it will increase their chances of buying from you. In some markets this can be true. However, from my own personal experience I can tell you that's not always true. If your ads are selling a product direct, such as your Special Interest Videos, it doesn't always work.

Now some of you may say, "you'll make money on the backend, when the customer

comes back and buys more products from you.” Yes, this may be true, however, if you are not making enough money to cover the ad costs, you wouldn’t be in business long enough to make money on the backend. You have to make sure you are at least making enough money to cover your ad costs.

Here is an example. After running an ad in a small computer magazine for six months I looked at the number of sales, the profit from the sales, the number of times the customer came back to us as a repeat sale and the total cost of running the ad for six months. Here are the numbers for a half page ad that I ran in one of the smaller computers magazines.

6 months x \$1245 per ad = \$7470 total ad cost
Total sales from this ad was during the 6 months = 116 sales
The profit of each video sold was \$33.65

Total profit made \$3903.34
Repeat sales 70
Profit of each repeat video - \$33.65

Total profit on repeats \$2355.50
Grand total of profit made from this magazine was \$6258.84
With an ad cost of \$7470.00

We lost a total of - \$1211.16

(Luckily at the time I was running ads in other magazines, which helped to offset the loss.)

Since this magazine did sell tapes I didn’t pull the ad all together, but I did reduce the size of the ad from a half page to a 1/6 page and ran for 6 more months. Here are the numbers for the 1/6 page ad.

6 months x \$420 per ad = \$2610 total ad cost
Total sales from this ad was 87
Profit from each video = \$33.65

Total profit made \$2927.55
Repeat sales 60
Profit from each repeat video \$33.65

Total profit on repeats \$2019.00
Grand total of profit made from this magazine was \$4946.55
With an ad cost of \$2610.00

I made a small profit of \$2336.55

Again this magazine a smaller circulation base of somewhere around 10,000 to 12,000 people. Their ad costs vs. their circulation was high. In another computer magazine back then I was paying about \$825 for a half page ad in magazines with a paid subscriber base of 80,000 people. (These rates are from several years ago) This ad was pulling upwards towards 100 orders per month, with around 600 orders for a 6 month period.

All of the above examples were based on only two tapes. As I added more videos to the product line, overall tapes sales went up. I really started to make money off that ad when three more tapes were added to our line. I went back up to a half page ad and now I was selling three hundred tapes in a six month period, which made a profit on the front end and the backend.

Had I not been tracking sales so closely, I would have never known if the ad was making money. Since it was it allowed adjustments to our ad size to make the ad more profitable. After all that's the name of the game, to produce a profit and to build a business.

Choosing the Correct Ad Size

As you saw in the above example, when the ad size was reduced from a half page to a 1/6 page, sales didn't drop too much. The cost of the ad sure did.

You may find that if you are the only one advertising a video on a particular subject in a magazine that a small ad may work well just as well as a larger ad. Whatever you do, start small and let the ad size grow. Don't jump in with a single video and take a full page ad, unless the ad space is very cheap.

Years ago a lot of books on marketing said people would have more confidence buying from a company with large ads vs. small ads. Things have changed.

Today with the internet, more and more advertisers have reduced their ad sizes. They use the print ad to drive people to their websites. I have done this here at Studio 1 Productions and it's been very successful. It has allowed cuts in advertising cost by 50%.

When selecting your ad size, whatever you do, don't let the advertising rep "help" determine the best ad size. They will most likely try to put you into a larger ad than what is really needed. Remember, they are out to make money for the magazine and to increase their commissions.

Most of the time you are going to find the cost of the ad will determine what size ad you can run. Whatever ad size you select, you should let it run for at least three months. This will give you enough time to determine if the ad is working.

Classified Ads

Some Special Interest Video productions start with a classified ad or a small one or two inch display ad in the classified section of a magazine. As sales come in, they will increase the ad size for more visibility.

Not everyone will have luck selling in the classified section, so don't be discouraged if your video doesn't sell there. Some SIV producers have told us that in some magazines they did great in the classified sections, while the same tape in another magazine's classified section did poorly. If this happens, try a small display ad for a few months.

If you have a very limited marketing budget, I would recommend you start off with a classified ad. Then as sales come in, put the profit into a small display ad in the classified section. And as sales grow, you will always have the option to increase your ad size and ad placement.

Make sure your classified has a good bold title or headline. Also, be sure to include both your phone number and web address.

When you run a classified ad, see what the cost is going to be versus a one inch display ad. Depending on how many words you have, it might be cheaper to run a small display ad.

Don't waste your money on classified ads in the newspapers. Most people don't read the classified ads looking for Special Interest Videos.

Later, in the section on Cross Marketing, you will see a good use of running ads in the classified section of a magazine.

Ad Placement

Where should your ad be placed? In the front, middle or back of the magazine? Does it really matter? Depending on the magazine, it can make a difference.

When you place a display ad you can sometimes request certain positioning of the ad. For example, you may request the ad be placed on the right page, outside edge, or near the front of the magazine. Depending on the publication, you may or may not get what you want, but it doesn't hurt to ask. Most magazines will charge extra for positioning an ad, usually between 10 and 20% of the ad cost. Some magazines may have restrictions on the ad size in the front of the magazine. I ran into this once, only full page, four color ads were allowed in the first forty pages of the magazine. The smaller ads got placed towards the back of the magazine.

Ads that are placed next to text generally tend to pull better. The reason behind this is, while the reader spends time on the page reading the text, they are more likely to glance over at the ad that is next to it. You need to make sure you have a good strong and interesting headline. Once your ad has their attention, you want them to read the rest of the ad. Ads that are 1/3, 1/2 and 2/3 page in size are usually the only ad on the page and will be placed next to text. (Although this may vary from magazine to magazine.)

Some magazines will block the ads to certain sections of the magazine. For example, in some photography magazines, the manufacturers almost always seem to be up front in the magazine, but the dealers that are selling the equipment are located in the back of the magazine. This really isn't a problem in this type of magazine, as most readers know this and when they want to purchase a camera or another piece of equipment, they will head straight to the back of the magazine to find the dealers. If the magazine you are advertising in is laid out like this, then you might do better in the back of the magazine.

But, what about the ad getting lost among all the other ads in the back? It may get lost to a point, so you will have to make your ad stand out among the rest by using bold headlines, contrasting color or reverse print. Remember, if the reader goes to the back of the magazine to look for products to buy, then chances are they will read or glance over all of the ads in their search. So make yours stand out.

There is a section in some magazines that is made up of all ads. This area is usually a "Market Place Section". Sometimes the ads are all the same size or they may be a variety of sizes. The "Market Place Section" is usually near the back of the magazine and this section will most likely have a lower ad cost than a regular display ad. When talking with different SIV producers, most of the SIV producers said they did quite well in the "Market Place Section", as they felt most readers would stop and look over this section to see what is new.

There were a few that didn't like advertising in this section, as they felt their ad was not being seen. It was getting lost among all the other ads. The key to advertising in this section is to make the ad really stand out. If most of the ads in this section are in black and white, then make yours color. Use bold colors as borders or bold colors as a background to help your ad stand out among the others.

If the magazine has ads all throughout that are selling directly to readers, try to have the ad placed next to an article or a regular column. Ads that are placed in certain sections like product reviews, don't always pull as well as they do when placed next to an article. This is due to the fact that not everyone reads the product review sections, but most people read the articles and regular columns.

How often should you change your ad?

Some marketing people will tell you to try several different ads and then stick to the one which pulls the most sales. While this is fine for some markets, I have found that you should change your ad at least twice a year. When you run the same ad month after month, the regular readers skip right over it. And what happens if you add a new video to the ad. If the ads look so close to the old ad, people won't even pay attention it.

In the ads I have run, I change them ever three to four months. Sometimes I just change the colors of the text or the background colors. Other times I change the layout of the ad. This keeps the ad fresh and I have noticed it improves sales.

Getting Your Ad Designed

You can design you own ads with most any desktop publish program such as Microsoft Publisher , Adobe Pagemaker or Adobe InDesign. Also, you can design your ad with software such as Adobe Photoshop Elements or Photoshop.

Spend some time looking through magazines at other ads. What catches your eye? Looking at other ads, whether they are selling a video or something else, will give you a lot of ideas on how to design your ad. I am not saying to copy someone else's ad, what I am saying is to see what you like out of their ads and see how you can incorporate that into yours.

There are several types of ads that are quite common. They are:

- * Direct Sales Ads. These are ads purposely to make a direct sale to the reader.
- * Ads that direct you to a website. This type of ad usually has several products, often without any pricing. The idea is to get the reader interested and for them to go to the web for more information and to order online. The ads will contain a directive such as, "visit our website for more products" or "visit our website for more information".
- * Promotional Ads. We have all seen ads like this. Ads for a camera from a manufacturer or ads for shoes. They are not selling the product directly to you, they are promoting the product.

Almost all Special Interest Video producers will use the first method listed above. Although they may direct the customer to a website for more information or to place an order, the ad will mainly be a direct sales ad.

I highly recommend you go to the library or a bookstore and get some books on advertising or ad design. They will contain a wealth of information and ideas, along with plenty of examples of ads. These books will give you more information than we can cover here on how to layout your ad.

When designing your ad, check with each magazine that you are going to run ads in and see what their requirements are.

If you are not into designing your own ads then:

1. You can always find someone from a local college who is learning graphic arts and hire them.
2. Check online in some of the forums to see if you can find a graphic artist.
3. You can also just hire a graphic artist to create your ads.
4. See if the magazine offers ad design services.
5. Contact a local ad agency. (This will be the most expensive way to go.)

If in the end, you choose to do your own ads and you are not familiar with how to use these programs, pick up some instructional DVD's to learn how use these programs.

Key Points For Your Ad

Remember, Tom from earlier? He was the SIV producer who came out with a series of dog training videos. He created a simple ad that did very well for him. I wish I had a copy to show you, but I don't. So I will give a description of what it looked like.

Train Your German Shepherd
(a photo of the videos)
Learn from a Professional Trainer
Working with a German Shepherd
Covers Basic to Advanced Training
\$39.95 for Each Video
SAVE - All 3 Videos for \$99.95
CALL NOW XXX-XXX-XXXX

The ad was simple, but effective. Here are the key points of the ad:

- * The headline was large and caught the attention of German Shepherd owners.
- * The photo was in color and included all 3 volumes.
- * The body of the text highlighted seeing a professional trainer with a German Shepherd.
- * The price of each video and the price for all three videos.
- * The Call To Action. This is the Call Now statement.

Make sure your ad covers all of the above points. These are fairly standard for ads that are designed for direct sales.

Your ad should always include a call to action statement, such as Call Now, Call Today, Hurry Call Now, etc. These action statements really do work. They direct the reader to

do something and if the person really has an interest in your video, this may actually cause the person to pick up the phone and call you.

If your ad directs them to the web to order, the action statements such as Visit Our Website Today, Order at our Website Now, etc. will cause a lot of people to take action and go to your website while they are thinking about it.

This may seem obvious, but make sure you have your phone number and web address in the ad. Double check to make sure your phone number and web address is correct.

Ad Costs

There are several ways to reduce your advertising cost.

1. Ask for an in-house agency discount. This is usually a 10 to 15% discount off the published advertising rates. You will need to submit your own camera-ready art work. Most magazines will accept an ad as a PDF file.

2. A frequency discount. This is where you agree to run an ad for so many times. For example, you want to run a 1/6 page ad for your video in a magazine, you may find the rates listed like this:

1 Time rate \$100
3 Time rate \$90
6 Time rate \$80
12 Time rate \$70

As you can see, the more time you commit to running your ad, the lower the ad cost.

3. Direct Rates or Mail Order Rates. Companies dealing directly with the public and not through resellers are considered a mail order or direct sales company. Some magazines will have a discount rate for this type of advertiser. Make sure you ask the ad rep at the magazine if they offer any special rates to direct sales companies or mail order companies.

4. If you are a new advertiser, see if the magazine has any type of new advertiser discount. This has worked for me. I have received a twelve time rate on a three time contract. This allowed me to see if the magazine generate orders. At the end of the three time run, we went on to commit to a twelve time contract.

5. Negotiate the rates. I have talked with other SIV producers who have been able to negotiate better rates than what are printed on the rate card. This all depends on the market place and if there are competing magazines.

6. Ask about remnant space. This is space the magazine has left over and they usually try to fill it right before the issue closes (or goes to printing). Remnant space can be VERY inexpensive. Ask the ad rep about it.

Almost all magazine are going to want you to sign a contract saying that you will run your ad a certain number of times during a year. A three time contract means you will need to run your ad three times during a one year period. You can run the ad over three consecutive months or run it every other month for three times or run it every four months, etc. It generally doesn't matter when you run it as long as the ad runs three time during a one year period.

When signing the ad contract, make sure you see if there is any penalty if you reduce your ad size. With some magazines, if you sign a contract for a 1/2 page ad and you find your are not pulling enough sales and you want to reduce the ad to say a 1/4 page ad, they may not let you.

If that is the case, sign a contract for a 1/6 page ad or the smallest ad you can, then run a larger ad. They usually don't have a problem if you want to go up in an ad size, but the don't like it when you go down.

Lead Times

The lead time is the time it takes from when you submit the ad to the time that magazine issue comes out. Lead times are usually six to twelve weeks depending on the magazine.

Let's say you are going to place an ad in a magazine with a twelve week lead time. That means you submit your ad on June 2, your ad won't come out until Sept. 2. Make sure you watch your lead times. Also, don't forget if you want to run a holiday special you have to layout the ad early enough.

I remember once seeing a company run an ad for a Christmas special. It wasn't in the December or January issue, but there is was in February issue.

The Cover Date

Some magazines may have a cover date of one month, but come out in another. Here are two examples of magazines that we advertise in:

1. Magazine A will have a cover date of April, but they come out in the middle of March.
2. Magazine B will have a cover date of April, but they don't come out until the end of April or the first week of May.

Check to see when the issues actually come out. This will be important if you are going to run a sale or release a new video.

Cross Marketing

You may produce a video that you can cross market into other markets. A few years ago, Donald Wright created a video showing people how to use Photoshop. Naturally, he ran ads in the videography magazines and the photography magazines. Don also decide to run ads in several advertising magazines. There he ran a small classified ad. Here is an example of one:

Train You Staff In PhotoShop
2 Hour Video - \$49.95
Order Now XXX-XXX-XXXX

By cross marketing his video he picked up an additional ten to twelve sales a month, which equates to an additional \$500 to \$600 a month in sales. Not too bad for a \$50 classified ad.

Don told me that he did try a small display ad in the one advertising magazine. He said, he spend about \$400 on the ad and his sales stayed the same, ten to twelve sales a month. He quickly went back to the \$50 classified ad.

I also had success cross-marketing our computer videos and videos on videography in general electronics magazines. I found the classified ads or very small display ads in the classified section worked the best when marketed outside the normal field. I did some testing with display ads in the electronics magazines. They didn't generate enough sales to make it profitable. The classified section did.

While not all videos can be cross-marketed, it is something you should keep in mind with your videos.

How Soon Should I Start Getting Orders From My Ads

Magazine are usually mailed to subscribers a week or two before they come out on the newsstands.

SIV producers that I have talked to said sales spiked within a few days after the magazine reached subscribers. After about two weeks the sales would slow down until the next issue arrived in the subscribers hands. The newsstand sales did not cause a spike in sales.

When you advertise in several magazines, like I do, you will probably find they are released at different times through the month. So you may not see any spike in sales.

A while back I ran a test ad for three months in a magazine that goes out only to “Qualified Subscribers”. The sales from this test ad didn’t start showing up for about three weeks after the magazine was received. Most free magazine that go to our “Qualified Subscribers” don’t always get read right away or at all.

Press Releases

In some books and videos, they promote press release as a guaranteed free ad. The problem is they are not guaranteed. So don’t put all of your marketing effort in them. When a press release is printed it is printed once and that’s it. You will need to do more marketing that just issue press releases.

With that said, I do recommend that you use them, in conjunction with your normal marketing efforts.

First, you have to write the press release. I know a few people who have been under the impression that the magazine wrote them. They don’t. I know some of you might be thinking, “When I read them it sounds like the magazine wrote them“. Well that’s true, that’s how you have to write it.

When you write the press release you have to write it from a third party view, without sounding like it is an ad. It has to sound like it is an informational article and your product fills a need. Read some press releases in different magazines to get an idea of how they are written. Generally press releases are product announcements, so look there to find them.

When writing your press release, you will need to make it sound newsworthy. Also, remember to make sure you put your phone number and website address in the press release.

When sending in a press release, I always recommend sending in a copy of the DVD and a CD that contains the press release in .txt format and included several high resolution photos or art work of the DVD case. I have found that when I have sent in press releases I always use a large Priority Mail envelope. The reason behind this is, it stands out from the other mail that the editor gets.

If you decide to send the press release out via email, make sure you attach several high resolution photos along with a note in the email that you would be happy to send them a copy of the DVD.

So why send a copy of the DVD. A lot of times if the editor gets a DVD along with the press release, they will do a review of the video. This will give you even more free advertising.

If you are going to run an ad in the magazine, talk to the ad rep to see how you can get the press release printed and who you can send the video to for a review.

If the review turns out great, then ask for permission to reprint all or part of the review on your website or other promotional materials.

Don't be upset if an editor doesn't print your press release. Editors get a lot of press releases each month.

In an update to this book I will go into a little more depth on this subject.

Using A Logo

One of the best things you can do for your business is to create a logo that will be easily identifiable. Put your logo on everything, in your ads, your DVD covers, DVD labels, your website, in any eBay auction listings, etc. This will help create a brand awareness among your customers.

So how do you get a logo created? You can do it yourself if you feel you have the talent to create one. You can hire someone, either locally or on the web. You can even buy software that will create a logo for you. The best thing to do is go to Google and just do a search for "logo creation". This will give you a list of companies that will create a logo for you and software packages that you can use to create a logo.

Setting Up a Website

One of the best ways to market your special interest video is with a website. It allows people to get detailed information and see photos or video clips from your productions 24 hours a day. Most importantly, it allows you to take orders 24 hours a day.

Just because you have a website, doesn't mean that you can just sit back and watch the orders roll in. You have to market the website and get it listed into the search engines. (I will cover this a little later on.)

You have to market your website? Yes. I know some videos out there only tell you all you need to do is setup a website, but you have to market it too.

There are two ways you can put up your website. Do it yourself or hire someone to do it for you. Let's start with doing it yourself.

First, you are going to need to select a web hosting company. This is a company that will

host your website so other people can access via the Internet. Below is the name of a few web hosting companies that are very reliable:

GoDaddy.com
NetworkSolutions.com
Ixwebhosting.com
Verio.com
Hostgator.com

For more web hosting companies, simply go to google.com and search for “web hosting”.

The cost for web hosting can be for a little as \$3.99 a month for a shared web hosting service. A shared web hosting service means your website will be on the same computer as several others websites. The computer your site would be on will be fast enough to handle several sites without any noticeable slow down. So this should not be a problem for you. If you start experiencing any slow downs or you get complaints about your sight being slow, simply contact the web hosting company and let them know what it is going on. They are pretty good about taking care of problems like this.

What about places that let you setup a free website? I don't recommend going this route. Simply because almost all of the ones I've seen have pop up ads. Not only are they annoying to the person trying to access your site, but they present a very unprofessional look to your site. These free websites also tend to be very slow in bringing up your site. They generally lack any tech support and they don't usually have any shopping cart capabilities.

It's really best if you spent a few dollars a month for a good web hosting company.

A Shopping Cart

When selecting your web hosting company, make sure they offer some type of secure shopping cart system. This is something I highly recommend, as it makes ordering for the customer so much easier and secure. Most web hosting companies will charge you an additional fee each month for the shopping cart, but it's worth it.

By using a shopping cart that your web hosting company provides, if you should have any problems you only have one place to call... the web hosting company. Most web hosting companies that do offer a shopping cart will also offer services to set it up and/or design your website.

Shopsite is one of many shopping cart packages that allow you to set up you website store without knowing how to setup a website. It offers several templates where you just type in what you want to say, insert photos of your products and you are done. Verio.com web hosting offers Shopsite as their shopping cart, as do several other web hosting companies,

If your web hosting company doesn't offer a shopping cart or you want a different one,

there are shopping cart software packages that you can purchase and install on your website. PDG Software is one of many shopping cart packages on the market. Search google.com for “shopping cart software”.

If you choose to go this route, talk to your web hosting company first to make sure there won't be any compatibility problems.

Whether you use the shopping cart software from the web hosting company or you choose to buy your own, see if they have a demo version that you can try out before making a commitment. Check out Shopsite demo at Shopsite.com.

Web Design Software

If you want to design your own website, outside of what the shopping cart software will allow, you will need to use a software package such as Microsoft Frontpage or Microsoft Expression Web to create website. There are many different software packages on the market that will allow you to easily setup a web. Again, just search the web.

These types of packages allow you to setup a website without know any HTML code. They let you design the web pages in the WYSIWYG (What You See Is What You Get) mode. Sort of the same way a desktop publishing program works.

They also have pre-designed templates that make setting up a site easy. Although to do some advanced things you may need to learn a little HTML code. There are several books and videos on how to use these programs. Invest in them if you want to learn how to use these programs to design a website.

If you are new, you really should consider starting out with building your website through the shopping cart software. It will allow you to get up and running much faster.

Registering Your Domain Name

Once you have selected a web hosting company, you will need to see if the name you have chosen is available. Almost all web hosting companies will allow you to check the availability of your website name. This is done at no cost or obligation and you will usually see it on the home page of the web hosting company under Register A Domain Name.

Once you see if the name is available, register it right away and select your web hosting plan. You may feel more comfortable by calling the web hosting company and talking to one of the sales reps. They can help you right over the phone to register, select a plan and to help you get started.

Hire Someone to Design and Maintain Your Website.

Some people are more comfortable hiring someone to design and maintain their website. If you choose this check out several web designers. See what their work looks like and most importantly, see how much they are going to charge you.

Here are some questions you should ask them:

- * Do they register the domain name?
- * Do you get to choose the web hosting company or is that up to them?
- * How long will it take for them to get your site up and running?
- * How fast will they make needed changes?
- * How much do they charge for the initial web design?
- * How much do they charge for changes or updates to the website?
- * Do they support a certain shopping cart package?
- * Do they submit the site to the various search engines?
- * Get references from other people who use them.

Some web hosting companies offer to setup a site for you. This is usually done with the shopping cart software they use. Once it is up, they turn it over to you or you can continue to have them maintain the site for you. This isn't a bad way to get up and running quickly.

Internet Marketing

Once you get your website up online, you need to start marketing it. First thing you want to do is start submitting to the various search engines.

There are several ways you can do this.

- * You can submit your web address manually to the various search engines.
- * You can use some of the free services to submit your site.
- * You can use one of the many paid services to submit your site.
- * Or you can do a combination of any or all of the above.

The three top search engines are Google, Yahoo and MSN.

Manual Submissions

I recommend you manually submit your site to Google, Yahoo and MSN. Simply go to their site and do a search on "Submit to Google" (or whatever site you are on). You also should try "Add URL to Google" (or whatever site you are on.) Usually the first search result will be the one you want to click on. It should take you right to the page that allows you to submit your site.

The reason for manually submitting to these three sites is they sometimes reject submissions that are submitted automatically by software.

Submit Your Site For Free

You can also use the many free submit services out there. Simply go to Google and type “Submit URL for Free”. This will bring a lot of free services out there. Most of the time these free submit services will submit your site to smaller search engines. Just because they are submitting to search engines that you may have never heard of, doesn’t mean you shouldn’t submit to them.

Since there are many of these sites that allow you to submit for free, you should use several of them to submit your site, as they will submit to different search engines.

Paid Submissions

Using a paid service to submit your site can be a real time saver. Here are just a couple of paid services

Worldsubmit.com
Submitexpress.com
Ineedhits.com

If you choose a paid service to submit your site make sure the manually submit your site to Google. Google prefers the sites are manually submitted.

One word of caution. Some paid submission services will submit your site to FFA (Free For All) link sites. I would stay away from companies that do this. These sites will generate a ton of email, all wanting you to setup a link from your site to theirs. Plus, some search engines will penalize you for using FFA’s.

The three submission services I’ve listed above don’t submit to FFA sites.

How Long Does It Take For My Website To Show Up In A Search Engine?

This depends on the search engine. It can take anywhere from 24 hours to several months. Google, Yahoo and MSN can take anywhere from 2 to 7 days on average to get your site listed in their search engine.

Here is how you can check to see if your site has been included. Go to the search engines search page and search for your web address. For example, ww.mywebsite.com If it comes up, then you are listed.

How Often Should You Submit To The Search Engines?

This depends on who you talk to. I’ve asked this question on many web boards for webmasters and I’ve called several of the paid submit services. Here are the results I received starting with the most popular answer:

- * You should submit once a month until you are included in the search engine.
- * You only need to submit once.
- * You should submit once a year.

* You should submit once a month. This was most popular from the paid submit services that offered monthly submission services.

I tend to agree with the most popular response of submitting until you are included in the search engine. Since almost all search engines will crawl your site looking for changes on a regular basis as a way of keeping up to date search information in the search engine.

Search Engine Sponsored Ads

Sponsored ads are also known as pay-per-click ads. Google, Yahoo, MSN and other search engines offer these types of ads. The sponsored ads will show up when you do a search for something. With Google, Yahoo and MSN the top 2 or 3 results are usually in a shaded box, this means these are paid sponsored ads. Also, these sponsored ads will be listed down the left side of the screen.

In a nutshell, here is how sponsored ads work.

First, you need to sign up through the search engine where you want your ad to appear.

Then, you need to decide how much you want to pay each time someone clicks on your ad. This will determine where in the list of ads you will appear. The cost per click can also come down based upon the average of the keywords cost.

Next, you will need to determine what you want your ad to say. You will need to stay within the guidelines set forth by the search engine.

After that, you have to determine what keywords you want to trigger your ad to be listed.

Once you have completed setting up your ads, depending on the search engine, the ads will have to be approved. This approval time takes anywhere from a few minutes to a few days before the ad shows up.

A nice thing about using sponsored ads is that it can get you exposure in the search engine right away and depending on how much you want to pay, it can get you listed on the first page of the search.

On the down side, sponsored ads can be very expensive. Depending on the keywords and market, the cost of a single click can cost you anywhere five cents to several dollars! Most Special Interest Video producers I've talked to tell me they are paying five cents to twenty-five cents per click. When you set up an account with the search engine, they will generally tell you where you are going to rank based upon the amount you have bid.

With that said, I have to say that I've found sponsored ads are one of the better ways to market your video on the internet. They give you an instant or almost instant way of reaching your market once the video is complete.

There are quite a few pay-per-click companies that will offer to place sponsored ads for you in some of the other search engines. Their cost per click is much less than using the top three search engines' (Google, Yahoo, MSN) sponsored ads.

I have tried four of these pay-per-click companies for a year to see if they really lived up to their sales pitch. To make the test fair, I used the exact same keywords that were used with Google, Yahoo and MSN.

The results were horrible.

Each pay-per-click company only generated a total of six to twelve clicks per month for all the keywords. That's not per keyword, but for the entire ad campaign, per company.

After a year, I canceled my ads with all four companies. When I went to cancel my ad with one of the companies, they asked me why I was canceling. I explained that I was getting very few clicks each month. Their response was I didn't use good keywords. When I explained that these are the same keywords I use with Google, Yahoo and MSN, they responded by saying that's impossible and went on to give me all of their "statistics" on how many millions of internet users they reach.

One thing all four companies had in common was, they don't tell you exactly which search engine or search partners your ad will show up on. Two of these companies, on their websites, stated a couple of search engines and then said plus X number of other search engines.

Some pay-per-click companies will charge you a setup fee, basically because they know they aren't going to make any money from clicks from the ads.

I knew going into this, the ads would be on the small to mid-size search engines and that was fine with me. After all, I was just doing this to see if it was worth using any of these pay-per-click companies.

The bottom line is, don't waste your money. If you want to run sponsored ads, stick with the large search engines, such as Google, Yahoo and MSN. As a side note, two of the pay-per-click companies are no longer in business.

Banner Ads

Sometimes banner ads work and other times they don't. Some people report they have had good results with them, while others have said they didn't generate sales. I find that most people who run banner ads don't really have any way of tracking the results. They just rely on the owner of the website where their ad is, giving them the number of clicks they received on the banner ad. Hopefully, they are giving accurate numbers.

To be honest, I am not a big fan of banner ads. I have tried them and never really had great results with them. Not long ago a video magazine offered me a free banner ad to try

for a month. I took them up on their offer and set it up so that when someone clicked on the ad they went to a special welcome page on our site that had a counter on it.

At the end of the month the ad rep from the magazine called me and said that I had over 1500 clicks on my banner ad. He then proceeded to try to sell me on running a banner ad at the cost of \$495 per month.

While he was talking to me, I checked the welcome page I set up with the counter. It showed I had sixty hits on the page. To confirm that I went into the control panel section of my website to see how many hits it recorded for that page. It showed sixty-three hits. Which means the counter on the page missed three people.

It was nowhere near the 1500 hits the ad rep said I got. When I explained this to him, he was adamant my figures were wrong. But they weren't. They were correct, they were being checked by two different methods. I passed on running any banner ads with them. I had better ways to spend \$495 a month.

Over the years I have tried several banner ads on different websites. All but one just didn't generate that many clicks. One did generate a descent amount of clicks, but didn't generate sales enough sale to cover the cost of the banner ad.

Some websites don't charge a flat fee per month for a banner ad. What they do is charge you by the number of impressions. In other words, every time the banner ad is shown you are charged a penny or two. While this may sound good, every time that ad shows you are being charged. So if someone goes to that site and they are looking around, your ad may popup several times and each time you are being charged for that impression. Now if your ad is on a message board and your ad is popping each time the person reads a different message, the banner ad could end up costing you more than paying a fixed fee.

A lot of webmasters (owners of the website) will give you all kinds of reasons to run ads on their site. The main reason, which they don't tell you, is to make money from you. They will tell you they have X number of visitors each month. But, how many of those visitors are repeat visitors? If the website has a message board, I can tell you that most people visit these message boards several times a week. So you can't really count on their number of visitors each month as a way to gauge how many people will see your banner ad.

Some may be big on banner ads and I totally respect that. I am sharing information on my experience with them. Honestly, I would rather spend the money I would pay for a banner ad in other marketing efforts.

Links

Getting links to your website is basically a no-cost way of promoting your website. There are a few things you should know about getting links to yoursite before you run all over the internet.

- * Don't use FFA's. These are Free For All link sites. A lot of search engines will penalize your rankings (or placement) in the search engines.
- * Set up a links page on your site so you can exchange links with others. This is important. A lot of websites will only give you a link if you link to their site. After all, it's only the fair thing to do.
- * Don't exchange links with just anyone. It is best if you get links from sites that are related to your video.
- * If you have a website on how to use the Canon Rebel XT digital camera, don't exchange links with someone who sells hiking boots. You should try to exchange links with other sites that have to do with digital cameras.

Generally, getting a link to your site is as easy as asking for one. Some websites aren't updated too often, so you may ask for one and it may never get put up. Try to keep a list of where you have asked for a link and go back and check to see if they put one up. If they didn't ask again.

Do links really work at getting people to your site? Some people say yes and others say no. From my experience, they do help getting people to your site. I know I have made quite a few sales from people telling me they found a link to our site on some other site.

Direct Mail

Whether it is a catalog, flyer or postcard, with direct mail, generally within a week of when the customer receives your promotional piece, you should start getting some results.

However, both small companies and large companies are starting to reduce how often they mail out. Some of the large mail order companies that use to send me a sales catalog every month are now only mailing them every other month or every three months and in between these catalogs they are mailing a postcard directing me to their website.

With the high cost of postage and printing, quite a few companies are even shifting away from printed catalogs and relying solely on their website. To direct the customer to their website they are mailing out postcards.

If you are going to use direct mail, you might want to consider using postcards to either advertise your DVD or to promote your website.

Another trend is that more and more people are spending less time reading their mail. Do you stand over your trash can and sort out the mail? A lot of people do.

This is where a postcard comes in. When most people see a postcard in the mail, they flip it over to read it. This is one of the biggest benefits to using postcards to advertise your website, products or services. *The customer doesn't have to open it to see what you are offering.*

Most people flip the postcard over for these three reasons :

Curiosity.

No Effort. (Nothing to open, like an envelope)

Doesn't Take Up Any Time. (Just turn the card over)

It is in people,s nature to be curious and because there's no time or effort involved, they simply turn the card over and read it! They don't need to open anything, nothing to take out and unfold. Just flip the card over!

The last time you received a postcard in the mail, didn't you at least turn it over and look at it? You probably did. So, when your customer receives a postcard, it will only take them second to flip the postcard over and see what you are offering and when they do, *you have their attention.*

The Cost Of Direct Mail With Postcards

Another benefit of using postcards is the monetary savings. For example, postcards cost approximately \$300 for 10,000 color postcards. This works out to be .03 cents a piece. The cost of the mailing labels are about .0025 cents a piece. The cost of postage is \$.26 per card for first class mail. This brings the total cost of each card to about \$.30 each. As you can see below.

.03 Cents For Each Postcard
.0025 Cents For Each Mailing Label
.26 Cents For First Class Postage
=====
.2925 Cents Total Cost

If you are mailing out to 10,000 customers, your total cost would be \$2,925.

Now let's take a look at mailing out a sales flyer. The cost of the color flyer is about .08 each, in a quantity of 10,000. The cost of postage is \$.41. This brings the cost to \$.48 each.

.08 Cents For flyer
.41 Cents For First Class Postage
=====
.48 Cents Total Cost

Once again, if you are mailing out to 10,000 customers, your cost would be \$4,800. This is almost \$2,000 more than the cost of the postcard mailing!

Another benefit to using postcards is the time saved on getting your mailing out the door. You do not have to fold each flyer, stuff each envelope and affix a stamp to each one. With a postcard all you need to do is to put a mailing label on each card.

One thing I have learned, was to get a postage paid first class permit from the post office. This allows you to have printed a little box on the upper right hand corner of your postcard where you would normally place a stamp, stating that this is first class mail, along with your permit number. This is a huge time saver, as you do not have to put stamps on each card.

Getting The Best Results

Before you start mailing out postcards to everyone, here are some general guidelines that may work for you, as it has for me. Don't be afraid to deviate from what you see listed.

1. DO NOT send a white postcard! A white postcard gets lost with all of the other white envelopes in the mail. Also, stay away from gray or a manila color. You want your postcard to stand out and get noticed! You don't want your postcard to look like all the other mail.

Use a color postcard and make it stand out. Try to stay with bright colors, but not blinding colors, like hot pink. Be careful using some pastel colors like light blue or light green, they have not pulled very well for me. Remember, you want the card to stand out, boldly if possible.

2. It helps to have a good teaser line on the bottom of the front side of the card. This should be in large type and bold print. You want this teaser line to say something that will get them to turn the card over.

3. You will need to make sure you have a powerful headline for them to read and react upon. Again, this should be in large type, with a sub-heading below it using a slightly smaller type size. You may want to even try having the headline in reverse print.

4. Don't try to squeeze too much in the body of the text. Keep it brief, but highlight the benefits and tell them to call to order or to visit the website for more information. I have seen too many postcards where they were trying to say too much in very small type. Remember, keep what you are saying simple and to the point.

5. Don't try to put more than one or two different products on a card. If more than two products are on the postcard, it becomes too cluttered and too hard to read. I have tested this. I did several mailings with three and four different products being offered on the postcard. The response was okay. However, when the limit was to only one product even though this was the same product that was offered when there were four items on the

postcard, response to this product was great!

Okay, now we are going to bend that last guideline a little. For example, if you are sending a postcard out on a set of video tapes for model trains and there are three volumes to the set, then, by all means put all three tapes on the same card. What I am recommending is that you don't send out a postcard advertising a video tape on model trains and a video tape on model cars. It is better to select one topic or another to address on your postcard. Remember, the space you are working with is limited.

6. Make sure the card looks good. Everything should be lined up and centered. Have the postcard professionally printed. Don't buy the postcards that you can run through an ink jet or laser printer so you can print your own postcards. I know several people who have tried this and their response rate was dismal. Remember, if the card looks sloppy, you'll only hurt your sales.

7. Always make sure you have your name, web address and phone number on both sides of the postcard. If the person looks at the address side first, make sure your name and address is there. This will give you name recognition and when they turn the card over, again have your name, address and phone number on the back of the card, especially when you ask them to order. This reinforces your name with your offer.

8. If you are sending your postcard out to names from a rented mailing list, make sure you ask them to call for a FREE catalog or brochure if you have them. Once they call and you get their name and address, they are yours to keep mailing to! Most of the time when you rent a mailing list, you are only allowed to mail to them once. So ask them to call!

9. Put a limited time offer on the postcard. This will encourage people to order now and not to put it off.

Mailing Lists

Now, let's take a look at who you are mailing to. Separate your mailing list into three different categories.

Existing Customers
Inquiries
Cold Names or Cold List

Existing Customers. When mailing to existing customers you will most likely have name recognition with them. This will help in getting your direct mail piece read. Since they have bought from you once, they will most likely be comfortable buying from you again. Always mail to your existing customers.

Inquiries. These are people who have shown an interest in your products, but have not yet made a purchase from you. Again, with these people you will have some name recognition but, that can depend on how long ago they made the inquiry. Since these people have at least inquired about your product or services, this generally means they are good a candidate for becoming a customer.

Cold Name or Cold List. These are names and addresses that you have obtained from some type of mailing list. Chances are, most of these people have not purchased from you or inquired about your product or services. However, don't despair. Let's say you're marketing a video on model trains. This cold list should be of people who have an interest in model trains. Since your product is a video on model trains, you will now have their interest. Just remember with a cold list, you have to make sure you are mailing to the right target market. Don't send out your mailing on a model train video to a mailing list of skiers. Chances are you won't get any response, since they are not in your target market.

When you send a direct mail piece to an existing customer or recent inquiry, you will generally have name recognition with them as long as you have your FULL return address on the postcard or envelope. This is especially true if you mail to them within a month or two after their last purchase or inquiry. With name recognition, this will enable you to have a better chance of getting your customers attention.

I would like to point out, that if someone inquires about your product or services from a postcard, make sure you send them a full brochure or sales letter. Don't send another postcard. That has happened to me once. I received postcard from a company about a product and when I called for more information they told me they would mail it to me, however, they just sent me another postcard. I called again for more information and they said they would send out an information packet, but all I received was another postcard. Needless to say, I didn't order from them. Keep that in mind when someone calls looking for more information. Have something ready to send to them, a sales letter, brochure or catalog or be sure to answer any questions they have over the phone.

Renting a Mailing List

Most people start out by renting a mailing, since they don't have an in house list. Here are some things to watch out for when renting a mailing list.

If you produce a video on how to use the Sony FX-1 video camera, obviously you are going to want to rent a mailing list from one of the video magazines out there.

When you rent the list, you are allowing to mail only once to the name you have rented. It's standard practice for rented mailing lists to be seeded with a few addresses that are connected to the company renting the mailing list. This way if you mail the list again, they will know it.

One technique I used was to mail a postcard out and on the postcard ask them to call thee

800 number or to go to the website to continue to stay on the mailing list. The reason is, once the customer responds to you, their name and address is yours to use over and over again.

When renting a mailing list make sure you rent the paid subscriber list. Some magazines will rent out their general mailing list which includes people that they may have gathered from various sources and they may not have a real interest in video productions.

When you rent a list see if they offer any delivery guarantees. I rented a mailing list from one of the video magazines several years ago, which they said was the subscriber list. When I did the mailing, almost 20% of the postcards came back to me as undeliverable. At first I was kind of mad that I wasted that much money in postage. Then it dawned on me, if 20% of the name and addresses were no good, that means 20% of the magazines that were going out were not being delivered either.....

Quick side note: This is why I recommend using first class mail. If the postcard would have been mailed out third class mail, they would have never been returned to me and I would have never known that 20% of them never made it to the people on the mailing list.

I called the magazine and they didn't believe me. So I boxed up all of the postcards and sent them to the magazine. I got a call from them the day they arrived there. They didn't give me any explanation, they just offered to send me another 5,000 names at no cost. When I mailed to this group of names I only got about 100 bad as being undeliverable.

When renting a mailing list, keep in mind, that some magazines will end up in doctor offices, libraries, schools and even prisons. Yep, I said prisons. I found this out when I rented a mailing list and I noticed a group of names that looked like this:

John Doe
#87403802
1200 Town Rd
Allentown, PA 12345

Bill Smith
#75500392
1200 Town Rd
Allentown, PA 12345

Terry Jones
1200 Town Rd #39340057
Allentown, PA 12345

There were about 40 names going to this address. And there were other names on the list that had similar address in other parts of the county.

A little strange, huh? Well I went on to the web and looked up the address, I found out it was the address of the state prison. Yep, you read the correctly, the state prison. I am glad I caught these address before wasting the postage

Postage and a First Class Postage Permit

By using a First Class Postage Permit, you don't have to put a stamp on each piece that you are mailing out. You will have to pay postage though. You will have a form to fill out, with the total number of pieces that you are mailing out with your permit number on it and you will pay the postage for these pieces when you take them to the post office. See your local postmaster for more information on obtaining a First Class Postage Permit, if you choose to use one.

While we are on the subject of postage, **ALWAYS** using first class mail. It gets there much faster than third class mail. In fact, I tried a mailing using third class mail. It took some pieces up to four weeks to arrive at some customer's locations and some never made it to the customers. Another problem with third class mail, is it may not get forwarded if someone moves and it won't be returned to you with a change of address notice. So, you could be wasting a lot of your time and money mailing to people that have moved and you're just not being notified. Always mail first class. It will generally arrive at your customers mailbox within a week of mailing it.

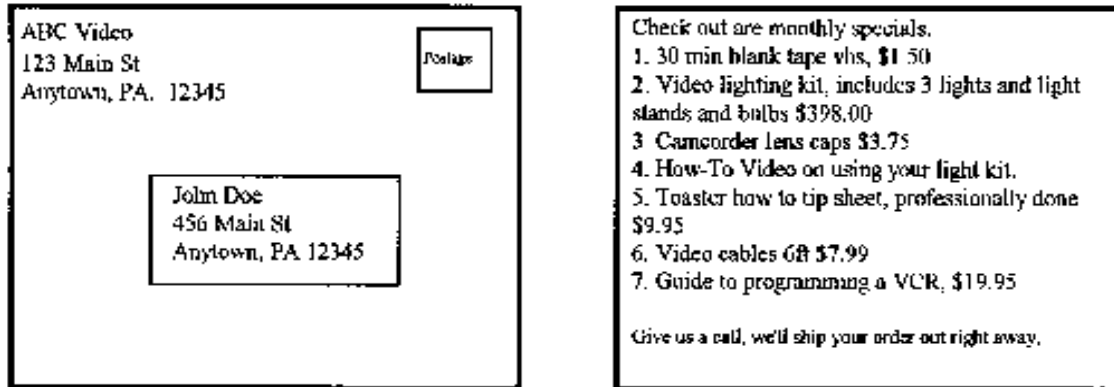
Using Postcards In A Follow-Up Mailing

You can also use a postcard as a follow-up piece to a sales letter or brochure that you mailed out in an envelope. For example, you have mailed an offer to your customers on June 1st and you made this a limited time offer that expires on June 30th. Send your customers a postcard around June 12th, reminding them of the offer and to act now before it's too late. This tends to work very well, as some people intend on placing an order with you, but things come up and it slips their mind. The postcard then arrives, and they are reminded to place that order.

If a customer inquires about a product or service that you are advertising, and you send them out a sales letter, brochure or catalog, send them a postcard about three weeks after you mail the information to them. You'll be surprised how many people will then respond. If the customer doesn't respond with the first postcard, it could be that they were not ready to buy at that time. Send them a second postcard about three to four weeks after you mailed the first one. Since they made an initial inquiry about your product, keep your name and product in front of them.

The Wrong Way To Use A Postcard

This is a real example of a postcard that we received.



Now don't laugh, I am serious, this was a real postcard that we received from someone. I have changed the company name and some of the products, but this is how it looks.

Notice that they tell you to give them a call, but nowhere on the postcard is a phone number! This can make ordering difficult. Also, they do not tell you the prices for everything, just take a look at item four. They don't give you much information about the products either. What type of video cables are item six? Are they RCA cables, are they Firewire cables, are they Gold Plated or are they S-Video cables? I really don't know, they never told me. (These were real items on the card!)

Don't try to cram too many products onto a postcard, doing this can cause you to have a very poor response rate. Just to let you know, I looked up this company's phone number and gave them a call. I talked to the owner and he informed me that the mailing was a flop. And that he would never use a postcard again. Bottom line is, they just didn't know how to properly use a postcard as a direct mail piece.

Remember, there are no hard and fast rules in direct mail, just a lot of guidelines. If you choose to use direct mail, I highly recommend you start out with a postcard.

Email Instead of Direct Mail

When we talk about email marketing we are NOT talking about spam. The type of email marketing we are going to be talking about, is where you sign up to be put on a company's email list or to receive their newsletter.

Due to the high cost of postage, this type of email marketing has become very popular

with both small companies and large companies. In fact, some companies have moved to email marketing only. Direct mail is no longer used at Studio 1 Productions. We have move to email marketing only.

For Special Interest Video producers, for that matter really any business with a website, can really benefit from email marketing. If you come out with a new video, you can send an email out to everyone on your email list and you can start getting results right away or as soon as they read your email.

However, there are a few things you need know about email marketing before you jump into it.

First and foremost, don't send out unsolicited emails. That's consider spam. I highly recommend that you only email out to people who have subscribed to your email list.

Another thing is don't flood your email lists by emailing everyday. Be considerate to the people on your email list. Email out when you have something new or a special going on, but watch how often you email out. If you email out a lot, you may find people unsubscribing.

Next, on you website you will need some way for people to sign up to be on your email list. This can be done one of several ways:

1. Using an email marketing service.
2. Using email marketing software.
3. Manually keep a database or email list.

Let's take a look at each of these methods.

Email Marketing Service

Using an email marketing service is the easiest way to maintain your email list. Almost all email services are permission based services. Here is how permission based services work.

1. Someone goes to your website and they sign up for your email list.
2. Then they will automatically receive a confirmation email.
3. Until they response to the confirmation email, their email address is not added to your email list. Their email address is held in a temporary area.
4. Once they response to the confirmation email, then their email address will be automatically added to your email list.
5. If someone wants to unsubscribe, all they have to is click on a link that is

automatically put into to your emails.

If someone signs up to be on your email list and they don't respond to the confirmation email, after a certain period of time, their name is automatically removed.

When you mail out to your email list, if any emails bounce because the email address is not longer valid, that email address will be automatically remove from your list.

The nice thing about using an email service is everything is automated for you.

It's easy to setup an email account. You simply sign up for the email service. When you do that, they will give you the HTML code to insert into your website. After you have inserted the code and update your website, you are ready for people to start signing up for your email list.

When you are ready to send an email out to your email list, you simply create the email, this can be a text base email or an HTML email. A text base email, will look like something you just typed in and sent as a regular email. HTML emails are the kind that look like a webpage when you receive and open them. To make it easy to create a HTML style email, simply use any program that allows you to create a webpage.

Once you have your email ready, you will then go to the website for the email marketing service and sign in. Then basically all you need to do is cut and paste your HTML email or type in your text email, into the outgoing email form on their website. Then you will click send and your email will automatically be sent out to everyone on your email list.

Below are a couple of companies that offer email marketing services. For more companies just do a search on the web.

www.godaddy.com
www.benchmarkemail.com
www.constantcontact.com

Make sure you use a company that is permission base, so your are not sending out emails to people who didn't sign up for the emails. This can be a problem for some people who have email lists that aren't permission base. I can remember one guy telling me that he had to change his email address after he separated from his wife because she was going on line and adding his email address to every email list she could find. Back then most lists where not permission based. If they were, all he would have received is a bunch of confirmation emails and if he didn't respond to them his name would have never been added.

Here are some benefits of using an email marketing service.

1. The cost for using these service is a lot cheaper than using the post office.
2. Very easy to email out to your customers.

3. Easy to setup on your website.
4. Automatically keeps your list up to date, by removing bounced emails. People change email addresses more often than their home address. So having them automatically keep your list update is a great time saver.
5. You don't need to install any special software on you website hosting computer.

Email Marketing Software

You can purchase your own email marketing software package. There are two types of packages, one that you install into your website on the web hosting computer. The other runs on you own PC.

If you choose to purchase the package that installs into your website, make sure your web hosting service will allow this and make sure the software is compatible with the operating system that your web hosting service uses.

When choosing an email marketing software packages, you will most simply charge you a one time fee. There are some that may also charge you an annual maintenance or a monthly fee. This will be on top of the package price. This can make it more expensive than using an email marketing service.

Not all email software packages automated the process of adding new email address and removing bounced or unsubscribed email. This is something you will need to do manually. Before you purchase any email package, see if they have a demo version that you can test out before you purchase it.

Be aware of packages where they offer different levels of performance and features. I found one that limits you on the number of email addresses you can send out to. These are things that you need to consider before making a purchase.

When using your own email marketing software package, you will create either a text email or HTML email, just like you would if you used an email service.

Below are links to a couple of email marketing software packages.

www.arialsoftware.com

www.massmailsoftware.com

www.lmhsoft.com

A few people that I know who are using an email software package have told me that there is a little more work involved than using an email marketing hosting service.

Manually Keeping Your Email List

This not really not a recommended method for maintaining your email list. I know of two people who have tried to maintain their own list using Eudora and Outlook Express. Both of them told me it was a nightmare trying to do it on their own. It was very time consuming and one had a problem with their Internet Service Provider. They accused him of sending out spam, due to the large amount of email he was sending out at one time.

If you choose to do it yourself, please make sure that you send out a confirmation email when some subscribes and when someone wants to unsubscribe, that you take them off the list right away.

Renting Email Lists

All I can say is BE CAREFUL. If you email out to a rented list, it might be considered as spam to the recipients.

I know when I have subscribed to a magazine, I've been asked if I want my email address shared with other companies that may have products that might interest me. There are some that rent email lists to get their addresses. However, other companies have software that troll through websites looking for email addresses.

I highly recommend that you only email out to people who have subscribed to your email list.

Selling on eBay

Ebay can be a great place to sell your videos. Once your video is complete you can list it on eBay. Some people don't even bother with a website for the Special Interest Videos and they just sell strictly on eBay.

eBay offers several ways to sell your videos.

1. Sell your video as an auction only
2. Sell your video as a Buy It Now only
3. Sell your video as an auction with a Buy It Now option
4. Setup an eBay store
5. Any combination of the above

PayPal is the most popular way for eBay customers to pay for a product. When you sign up for an eBay account, sign up for a PayPal account at the same time. PayPal allows your customers to pay with a credit card, without you needing a merchant account.

If you are going to accept checks or money orders as payment for your auctions, you will need to hold the check until it clears before sending out the DVD. If you receive a Money Order you can ship the order out without having to hold it to clear.

Pricing your video for eBay

If you're selling your video for \$39.95 on your website you might set the Buy It Now price at \$39.95. Some people will tell you to set your price a little lower on eBay than on your website. For example, if your website price is \$39.95, then set the Buy It Now price at \$34.95. Different people have different opinions on this. I suggest you try it for yourself and see which works better for you and your market.

People on eBay are looking for a deal, plain and simple. When you set up an auction you can get better results if you set it up where they can bid and also have the option to Buy It Now. This allows those who want to bid, to do so. And for those who are in a hurry and don't want to wait for the bidding to end, they can use the Buy It Now option.

You can set up your auctions with a minimum reserve bid option. Which means someone has to bid at least the minimum before the item can be sold.

Try not to play around with your pricing. I've seen a couple of Special Interest Video producers make this mistake. They keep lowering their prices when sales slow down. One guy started with his videos at \$49.95. For the first few weeks they sold pretty good, then sales started to slow down. Instead of reducing the number of auctions or removing them all together for a week, he lowered the price down to \$39.95. Sales picked up again, then once again they slowed down. He kept lowering his prices. \$29.95, then \$22.95, then \$19.95, then \$14.95 and finally to \$12.95. Each time he lowered the price his sales would pick up for a few weeks then slow down again.

After several months of lowering his prices he was still selling the same number of copies, doing the same amount of work, having the same eBay and PayPal fees, but making a lot less money.

It's normal for sales to fluctuate. Your DVD may sell really well for a few weeks, then it can taper off. Don't panic. If you are tempted to lower your prices once sales slow down, here are a few tricks to try.

1. If you are normally asking \$39.95 for your DVD, set up your auctions with a minimum bid price of \$29.95 and a Buy It Now price of \$39.95. This allows those people who want it try and get it at a lower price the option to do so, while still allowing those who want it right away to use the Buy It Now option.
2. If you are running multiple auctions on the DVD, try reducing the number of auctions. For example, if you have 10 auctions running for the DVD, try running only 3 or 4 for a while. Some people will react and buy because they have less of a chance to get the DVD.

3. Every so often stop listing your DVD's for a few days or even a week. This will keep customers who are always watching your listing, but not buying from you, to make a move and purchase when you re-list. It causes them to think that you might be pulling the product off of eBay. This trick will generally cause people to buy the DVD at a higher price.

4. If you are running several auctions and the DVD price is \$39.95 as a Buy It Now price, try running a few auctions of the same DVD with a Buy It Now price of \$29.95 at the same time. When the customer sees both prices, they will jump on the \$29.95 price thinking you made a mistake in listing it. This is a great way to boost your sales when your sales have slowed down and it allows you to maintain the higher price on your regular auctions.

Most people shop on eBay because they are looking to get a great deal on something. They will watch your auctions for a while before they place an order with you. If they notice that you keep adjusting your prices down, they will wait until you're at rock bottom and your prices have stabilized at your lowest price. So try the above tricks before resorting to price reductions.

EBay Fees

Well of course eBay has to make money. They make their money by charging you fees for your auctions. Here are the basic fees:

- * A Listing Fee. This is the fee for listing your item with eBay. This fee is based on the selling price.
- * A Final Value. This is a fee that you are charged based on the actual selling price.
- * If you accept PayPal, which you should if you are going to sell on eBay, they charge a fee also for handling the transaction.

Don't be afraid of these fees. These fees are fairly low. Some people tell me they build the fees into their shipping cost. So the buyer ends up paying a couple of dollars more for shipping and the seller recoups the fees. There are other fees for different options on eBay, it's best to check out the current rates and fee schedule on the eBay website.

Here are some tips on selling on eBay.

- * It's important to get your order out quickly. Have your auctions end early enough in the day so you can process and ship the orders out the same day, if payment is made. If someone is sending in a check, make sure you hold the order until the check clears.

- * Fast shipping can help with repeat sales and this can help give you a high feedback rating. It's best to use Priority Mail for sending out your DVD's. Don't try to do it cheaply and ship via First Class Mail. Priority Mail usually take 2 to 3 on average to get to any place in the US. My experience with First Class Mail is it can take anywhere from 2 to 8 days, depending on how far the customer lives from you. For more information on

shipping see that section later in this book.

- * Don't sell multiple copies of your DVD in an auction. This can lead to fewer bids and people tend to bid lower. Thus, you end up with fewer sales. Each copy of a DVD should have it's own auction. Your results will be better.

- * If you have produced a DVD on how to use a Sony FX-7 video camera, then list the DVD under video equipment. Don't list it under DVDs for sale. The reason behind this is when someone is shopping for a Sony FX-7, your auction will be listed when the search for the Sony FX-7. This will lead to more people finding and purchasing your DVD.

- * Pay attention to your auction heading. For example, if your DVD is on the Sony FX-7, then use an auction heading like this: Sony FX-7 Instructional DVD. This will cause your video to show up when someone searches for the Sony FX-7.

- * eBay has a feature called "second chance offers". This is where more than one person has placed a bid on your item. You can send out a second chance offer to the unsuccessful bidders offering the product at the winning price. eBay automates the second chance offer and by using this, you can increase your sales of the DVD.

- * eBay has several tools that allow you to automate you eBay business. Turbo Lister and Manager Pro are two of the tools you should check into when you eBay business takes off.

- * Create a nice looking auction layout. The better your auction page looks, the more confidence the customer will have in dealing with you. The end result is more sales.

- * If you are running multiple auctions, keep the layouts similar and use graphics that will make your product recognizable to your customers.

- * Monitor eBay auctions for anyone who might be copying and selling your products illegally. Now you may find someone selling off the DVD they purchased from you, however, you should keep a list of who is selling the products to see if they keep listing the product. If they do, then they might be selling illegal copies. Once you find someone selling illegal copies of your DVD, then contact eBay. They will pull the auction and sometimes they will even cancel the bootlegger's account.

Accepting Credit Cards

If you want to sell your Special Interest Videos, you going to need a merchant account, which will allow you to accept credit cards. You get a merchant account through a bank or through a Merchant Service Provider.

If you are working out of your home, not all banks or merchant service providers (MSP) will work with you. Today, due to the Internet, more and more banks and MSP's are accepting home based businesses.

There are several ways to process credit cards.

1. Use a credit card terminal and key in the credit card number.
2. Use credit card processing software and process the credit card from your computer. Make sure your bank or the credit card processing company offer this. For this you MAY will also need an Internet Gateway for connecting the software to the credit card processor.
3. If you are going to accept ONLY Internet orders, depending on the credit card processing company, you may be able to have the credit charged and approved (or declined) when the customer checks out. You WILL need an Internet Gateway to connect to the credit card processor.
4. Using an Order Entry or Sales Order software package with the built-in capability of processing credit cards from your computer. For this you MAY will also need an Internet Gateway for connecting the software to the credit card processor.

Each of the above methods has their pro's and con's. So talk to you bank or credit card provider before making a decision.

Using a Bank to Process Your Credit Cards

- * You will need to open a business checking account with the bank who is going to issue you a merchant account.
- * The bank will either have their own in-house credit card processing department or they will use a credit card processing company. They will verify the customer's credit card, processes transactions, and deposit the money from the sale into the merchant's checking account.
- * The money is usually deposited into your checking account with in 1 to 3 days.
- * Banks are considered to be secure and dependable.
- * The fees associated with setting up and maintaining a merchant account are lower for long standing businesses and owners with good credit.
- * With that said, some banks will not open merchant accounts for businesses seeking to accept credit cards over the Internet or if they are home based businesses.

Using a Merchant Service Provider

- * These are sometimes referred to as Independent Sales Organizations
- * They usually don't have a problem with a home based business or a business that is an Internet based business
- * They usually will give you the option of accepting credit cards online.
- * Their cost for credit card terminals and software is usually less than a bank.

Here is a few credit card companies that other SIV producers have recommend to us.

www.cardservicesales.com
www.chasepaymenttechsales.com
www.e-onlinedata.com
www.globalpaymentsinc.com
www.merchantservices.com

You can also do a search on Google for “Merchant Services”, “Merchant Accounts”, and “Credit Card Processing” for more companies.

Some companies will charge you an application fee, along with a setup fee. Make sure they are going to approve you before you pay them any fees.

Before selecting a credit card processing company, check them out with the Better Business Bureau and other online sources. While most credit card processing companies are excellent, there are some that are not.

Credit Card Fees

The fees you will pay are going to vary from company to company. Here are some of the fees that we have encountered.

- * Setup fee. This is a one time fee and can range from zero to a few hundred dollars.
- * Visa, MasterCard, Discover and American Express rates. You are going to be charge a small percentage of each sale you make. Depending on the credit card processing company, your rates should be 2% to 3.5%. Your rate will depend upon your volume of sales and the average dollar amount of each sale. When you are first setting up an account, be honest on how much you think each sale will be and give them an estimate of how many sales you think you are going to make each month.
- * A transaction fee. This will be from 10 cents to 30 cents for each credit card charge.
- * A month processing fee. This can be anywhere from \$5.00 to \$25.00 per month.
- * A minimum month Processing Fee. For example, you may have to pay a \$25 fee each month IF your total transaction fees and you total credit card processing rates don't each \$25.00. This minimum monthly fee will vary from company to company. We have seen this fee be between \$25 and \$100. Generally, if you have enough sales, you will never be charged this fee. Here is another example, if you only have three sales in one month and you have a minimum processing fee of \$25.00, you will be charged the \$25.00. If you have sales of a hundred DVD's, you won't be charged the fee.

Visa and MasterCard rates can vary between credit card processing companies. While one company may offer you a 2.10% rate for Visa and MasterCard, they may charge you a transaction fee of .30 cents per charge. Another company may charge you 2.25% rate with a .05 cent per charge transaction fee. So you will need to take some time and figure out which is the best deal for you.

How Soon Will The Money Be Deposited Into My Account

This will depend on the credit card processing company. The average time is one to three days. If your credit card processing company tells you it will be three days, then you can

expect the money from your sales on Monday will be in your account on Thursday.

Discover takes an average of two to four days and American Express can take three to five days to deposit your money.

Address Verification and CVV2 Code Verification

Whoever you use for credit card processing, make sure they offer address verification and CVV2 code verification. This will help reduce the chance of credit card fraud.

Address Verification - This is where you verify the billing address for the credit card, to make sure the person gave you the correct information. If it is a stolen credit card, chances are they won't have the correct billing address. Therefore, this can be an excellent way to see if the person who gave you the credit card, is the actual credit card holder. (Note: This isn't fool proof, as some people have had their wallets stolen and that will give the fraudulent user the billing address. If the person wants the order shipped to a different address, use your judgment to decide if you will do that or not.)

CVV2 Code - On the back of the credit card, in the signature panel, there is a group of numbers. The last 3 numbers are the CVV2 Code. Most credit card companies are starting to require that you verify the CVV2 Code. This is another way to verify the card holder is the one placing the order. The theory behind this is, if someone gets your credit card number off of a receipt, they won't have the CVV2. If you process a card with a wrong CVV2 code, they card won't process and you are alerted.

I highly recommend that you check both the address and CVV2 on all orders. This will help with reducing credit card fraud.

Accepting PayPal and Google Checkout

PayPal is one of the best ways to take credit cards without a merchant account. If you plan on selling on eBay, you will need a PayPal account, as most people prefer to use PayPal. Plus, you won't have to wait for someone to mail you a payment.

PayPal allows you to accept credit cards without needing a merchant account. Because of this, Some Special Interest Video producers only take PayPal on their websites.

PayPal will charge a fee which is based the percentage of the sale. Their rate is about the same as a merchant account. If you are going to take PayPal, make sure you have your account verified, as it improves your credibility with your customers.

PayPal offers several different types of accounts. You'll will need to decide which account will work best for you. PayPal's website is www.PayPal.com

Google offers Google Checkout. This works similar to PayPal. At this time it is not as popular as PayPal, but it is catching on. If you are going to take PayPal, you might want to take Google Checkout.

Problem with PayPal and Google Checkout

While most people using eBay do have PayPal, not everyone has a PayPal or Google Checkout account. This may cause you to miss some sales on your website if you don't take credit cards through a standard merchant account. This is something you are going to have to consider when setting up your website.

On our website we only take Visa, MasterCard, Discover and American Express. If someone wants to pay by PayPal, I have them call or email and I explain to them how to pay via PayPal.

Why don't I take PayPal on our website? Basically, it is because our software is automated with out shopping cart and our credit card processing, and not setup to automate with PayPal at this time.

Other Payment Options

Accepting Checks - While most people checks are good, there are those that aren't. Hold the check until it clears your bank. The problem you may run into is that it normally takes a few days to clear. But, what if it doesn't clear? Most banks will notify you by mail. By the time the issuing bank notifies your bank and your bank notifies you by mail, it can take up to 20 days before you learned the check has bounced.

I have had this happen , so now all orders that where paid by check are held for 21 days.

Accepting Money Orders - A money order is as good a cash. So as soon as you get a money order you can ship the customers orders. I tell customers who call and say they want to pay by check, to use a money order for faster service. I have only ever heard of one person getting a fraudulent money order. So if you have any questions on the validity of the money order, take it to your bank and ask them to verify it.

Accepting COD's - My advise is don't ship by COD. It used to be popular, but most companies are no longer accepting COD orders. Here is the problem with COD's. Let's say you ship the package COD to a customer. When it arrives, they don't have the money for the package. The package is returned to you.

You will pay for the shipping whether they accept the package or not.
Depending on who you shipped by, you may not get the COD fee back.
Depending on who you shipped by, you may get charged for return shipping.
Why do people refuse COD packages? It's because shipping companies will not accept

cash for a COD, they will only accept a money order, cashiers check or a regular check. When the package arrives, the customers usually don't have the proper payment method.

Another reason COD packages get refused is that they have changed their mind.

So how often do people refuse COD packages? Years ago it was rarely. But, over the years it has risen to most of the time. Depending on who you talk to it can be anywhere from 20% to 60% of the time. We stopped shipping COD packages when we noticed that 40% of them were being refused and it was costing us a lot of money each month for sending packages out, only for them to come back.

Shipping Your DVD's

Once you've sold your DVD, you need some way to ship it to your customer. Whatever method you use, I highly recommend using some type of delivery confirmation. This way, if someone contacts you and says they didn't get their order, you have some way to check out their claim. If you think this won't happen, guess again.

Another problem you will run into, is people forget that they have placed an order with you. They will either contact you wondering what this charge is for or they will contact the credit card company and tell them they don't recognize the charge. When this happens the credit card company will ask you to not only provide information about the order, but they will ask for proof of delivery. If you can't provide it, there is a good chance they will reverse the charge and charge you back for the total price of the order.

Let's take a look at the 3 main shipping carriers.

The Post Office

For small packages they can be less expensive than UPS or FedEx. The Post Office offers several different shipping methods.

Book Rate Mail - This is the cheapest way to ship, it is also the slowest way to ship. It can take an average of 5 to 15 days (or even longer) to get a DVD across the country and there is NO way to get delivery confirmation. I don't recommend this method.

First Class Mail - This is only slightly more expensive than book rate. Shipping times can take an average of 4 to 7 days to get a DVD across the country. Although, depending on the area you are shipping to, it can take longer. Delivery confirmation is available at an additional charge.

Priority Mail - This is a great way to send out DVD's. It takes an average of 2 to 3 for delivery and you can get delivery confirmation. (Shipping can take a day longer when shipping to Alaska or Hawaii). Also, you can use Click-N-Ship to ship your package. We

will cover Click-N-Ship below.

Express Mail - This is the Post Office's fastest service and the most expensive. It takes 1 to 2 days for a package to arrive, depending on where you are shipping it to. You get delivery confirmation and you can ship by Click-N-Ship.

Okay, so what is Click-N-Ship? This is the post office's online service for shipping Priority Mail and Express Mail letters and packages. Just go to the post office's website and select either Click-N-Ship or Print a Shipping Label.

What about shipping a package international? You can do that online also, with Click-N-Ship.

The post office's website is www.usps.com

You can also order supplies for Priority Mail and Express Mail, such as free boxes, free packing tape and more. One supply that you will want to get is self adhesive labels especially designed for use with Click-N-Ship. You can purchase them online at the postal service website.

If you want to save some money, try either of these companies listed below for Click-N-Ship labels

Professional Label www.professionallabel.com

ULine www.uline.com

Polyline www.polylinecorp.com

UPS Shipping

To ship with UPS , you will need to contact UPS and have a representative come out and set up your account. In some cases, they can do this over the phone. They offer daily pickup service or on-call pickup service, whichever you require.

Once you sign up with UPS, they will provide you with a free software package call UPS Worldship. You will use this to handle all your shipping needs with UPS, including tracking packages and printing shipping labels. You will need a printer to print shipping. You can use an inkjet printer or you can rent a thermal printer from UPS. Using a thermal printer as a secondary printer will allow you to keep shipping labels loaded all the time. This can be a big time saver as you don't have to change paper in your main printer every time you want to switch from printing an invoice or a shipping label.

UPS will supply you with shipping labels and other shipping supplies. As for boxes, UPS

will only supply shipping boxes for 3 Day Select, 2 Day Air and Next Day Air packages. You have to supply your own boxes if you are shipping UPS ground.

The UPS Worldship also allows you to pull up a customer's shipping information and click on the tracking number and get complete step-by-step tracking results, including who signed for the package and where it was delivered. For most people, this is one of the most important features of the software.

UPS offers the following shipping methods.

Ground - Takes 1 to 6 business days depending on where you are located and where your customer is.

3 Day Select - It will take 3 business days for your package to arrive.

2 Day Air - It will take 2 business days for your package to arrive.

Next Day Air - Your package will arrive the next day.

UPS rates vary on a variety of factors.

Rates are different for commercial delivery addresses and residential delivery addresses. UPS also charges an extended area charge for those who are located in rural areas. They also offer package insurance, delivery confirmation and many other services. UPS rates are available online or they have a rate book that they will send to you.

To get setup with UPS, go to their website at www.ups.com and click on contact us.

FedEx Shipping

FedEx works like UPS, as they offer pretty much the same services. They offer:

FedEx Standard or Ground - It takes 1 to 6 business days depending on where you are located and where your customer is.

FedEx 3 Day Service - It will take 3 business days for your package to arrive.

FedEx 2 Day Service - It will take 2 business days for your package to arrive.

FedEx Next Day Service - Your package will arrive the next day.

FedEx also offers daily pickups or on-call pickups.

FedEx has a similar software package that they will provide you once you have signed up with them. It is called FedEx Ship Manager. It allows you to ship packages and get detailed tracking for packages.

FedEx rates vary on a variety of factors.

Rates are different for commercial delivery addresses and residential delivery addresses. FedEx also charges an extended area charge for those who are located in rural areas. They

also offer package insurance, delivery confirmation and many other services. FedEx rates are available online or they have a rate book that they will send to you.

To get setup with FedEx, go to their website at www.fedex.com and click on contact us.

International Shipping

UPS and FedEx charge a broker's fee when shipping international. Where as the Post Offices, in most countries, don't charge a broker's fee. This broker's fee will vary from country to county and the customer will also have to pay duty or taxes.

We have found that shipping international orders via the Post Office is a lot less expensive for the customer. However, tracking an international package with the Post Office is not easy and it can take 30 to 60 days.

UPS and FedEx will give you detailed tracking information and tracking can be done online in real time.

A Note About Shipping

When you are first starting out, you may want to start out using the post office. Over time, you may find yourself, like most people do, migrating over to shipping with UPS or FedEx. The reason most people migrate over is, some software packages, like Quickbooks will link into the UPS and FedEx software package to help automate the shipping process. In addition, a lot of shopping cart software package will link into UPS and FedEx to get the shipping costs for a package.

As with all shipping services, packages can get delayed or lost. While it is rare it does happen. Weather delays are the most common reason for a package not making it some place on time. By being able to get detailed tracking information, like you can with UPS and FedEx, this can be helpful when a customer calls wanting to know where the package is and it's stuck in the snow some place.

Whether you are using the UPS or FedEx software package, you can have the tracking number for the package automatically emailed to the customer through their software.

Telephone Numbers and 800 Numbers

Unless you want to drive your family crazy, get a separate phone line for your business. If for some reason you decide to use your home number for your business, don't be surprised if you start getting calls at all times of the day and night. People tend to forget

about the different times zones or they miscalculate what time it is in your time zone. I've known a few Special Interest Video producers who have told me they would get calls at 2 am or 3 am from someone wanting to place an order or to ask some questions about the video. So it is really best to get a second phone line installed for your business.

If you are working from you home, get a good digital cordless phone so you can move around your home while taking calls. If you are thinking about using your cell phone as your business phone, you better make sure you have a lot of minutes available. You'll probably find it cheaper if you just get a second line installed. If you need to, you can always have the calls forwarded to your cell phone when you are not home.

Getting a toll free number isn't that hard. Simply call your phone company or AT & T and request a toll free number. A toll free number will lay on top of one of your existing phone numbers.

Depending who you use this cost will differ. With a toll free number, **you** will be paying the long distance charges, so your customers can call you at no charge to them.

If you decide to get a toll free number, you might want to have two lines for your business. Here's is an example and why we recommend this:

- * Your main line should be a direct phone line to your business. For example: (215) 123-4567. With this phone line the customer will have to pay for the long distance call themselves.
- * Have a second phone line that you can lay a toll free number on top of. This way a customer can call (800) 123-4567 and it doesn't cost them to call you. But, remember you are the one paying for the call.

Why we recommend do it this way:

- * Even though you may say in your ads and on your website that the toll free number is for Orders Only, a lot of people ignore that.
- * People like to talk and you will soon find out that they like to call you on your toll free number and ask questions and talk and talk and talk. All the while, you are paying for the call.
- * If you know the number they are calling you on, you can help move the conversation along, so you don't end up talking with them for 20 to 30 minutes.
- * You created the video, therefore you are the expert on the subject. So you can expect people to call you with questions. A lot of times, it will be on your toll free number.
- * A lot of sales reps and magazine reps will use your toll free line to make first contact with you. Again, this can cost you money so they can sell you something.

The bottom line is, if you don't have a second line for your toll free number, you'll never know if the person is calling you on your direct line or on your toll free number and this can be costly to you especially if someone needs help or has a lot of questions about your DVD.

One SIV producer told me that he was spending over \$500 a month on his 800 number. He only had one phone line and laid the 800 number on top of his main line. Then he put in a second line and had the 800 number over laid on that number. This way he could see which number they were calling on and when it was the 800 number, he was a little less chatty. He said he brought his bill for the 800 number down to around \$200 a month.

Software For Your Business

I am keeping this section short, because when it comes to this section of the PDF book, I have a hard time giving you any advice in this area. A lot of people have asked me what software do I use to run the business? It's a custom package that I wrote in house, to handle accounting, order entry, inventory, special importing orders from the website, exporting to UPS, etc. It's not something that I ever plan on selling, mainly because it would take a major rewrite in order to make it more universal so it could interface with other shopping cart software packages and other shipping companies, other than UPS.

Most SIV producers use some type of software package to handle order processing and accounting. Depending on the software package you select, you can download orders directly from your shopping cart and import them into your software. From there you can process the order and export the shipping information into the UPS or FedEx software to complete the shipping process.

There is a lot of software packages out, here are a few packages:

www.mailware.com

www.pcinn.com

www.quickbooks.com (They offer a Shipping Manager Module and a Credit Card processing kit as an add on option.)

QuickBooks is one of the more popular software packages for order entry and accounting. With the add on options, it can interface into both UPS and FedEx, plus with the Credit Card processing option, you can process credit cards right from QuickBooks.

Before you decide on a program, it's a good idea to see what your shopping cart software will interface with. This will give you some more options as to what software package you should look at. If you are going to be using UPS or FedEx shipping software, make sure the package you select will export the shipping data.

Selling Your DVD's Direct or with Dealers

You are going to need to decide if you are going to sell your videos directly to the

customer only or are you going to sell them through dealers as well.

Selling Direct Only

* Selling your video direct allows you to keep all the profits. If a video sells for \$39.95 and your duplication cost is \$2.00, then your profit will be \$37.95. For some Special Interest Video producers, this is their main reason for selling direct. But, it may not be right for you, just read on.

* You control the price of the DVD. If you want to run a sale and you advertise the sale in an ad in a magazine, you don't have to worry about dealers getting upset that you are selling the video at a lower price.

* You bear all the marketing costs.

* You are not competing against any dealers for sales.

Selling Direct and Through Dealers

* You can increase your overall sales.

* The amount of profit you'll make will vary since you will make full profit on the videos you sell direct and less profit on the copies sold through dealers.

* You have to allow enough of a profit margin on the DVD to make it worthwhile for the dealer to sell it.

* When a dealer orders, you will be selling them several copies of the video at once. This can be a nice sale for you. Plus, you only have to pack and ship one order to sell several videos.

* You will have to be careful not to adjust the price you of the DVD, unless you want to rebate the dealers for the lower price.

* Some Special Interest Video producers will have different pricing levels for dealers based on the quantity of videos that they are ordering. For example, order less than 10 copies and the dealers gets 25% off the retail price. Order 10 to 20 and they get 30% off and so on. While this can encourage some dealers to place a larger order it can turn off other smaller dealers.

I know of one company that produces videos which have the different pricing levels for dealers. They give dealers 25% to 50% off the retail price depending on the quantity of DVD's they ordering. One problem is that some of the larger dealers are selling the DVD's at 20% to 30% off the retail price, since they are buying them at 50% off. When this happens, other dealers started to complain and the DVD producers started losing dealers.

Other Special Interest Videos producers just have a single dealer price no matter how many videos are ordered. This levels the playing field for all dealers large and small. This is something for you to consider when selling to dealers.

* A lot of dealers are going to expect you to advertise and promote the video. If the dealer has an ad in a magazine, there is a chance they will put the video in their ad. This can help increase exposure of your video. The profit margin the dealer makes off of the video will have to be pretty good, otherwise it won't be worth his ad space to offer the video.

* Some dealers don't like the fact that you will be selling direct, thus competing against them.

* Most dealers are not going to like it if you sell the DVD on an eBay auction, because the DVD could end up being sold for less than what they are selling it for or even what they are buying them for.

* When selling through dealers you are going to reach customers that may not know about you or your video.

* When selling to dealers, it's a good idea that on the first order they have to buy a minimum quantity of DVD's, like 5 to 10 copies. The reason is, a lot of people will contact you saying they are a dealer and they want to buy just one copy so they can decide if they want to carry it. And of course, they want the DVD at the normal dealer price. Most of these calls are NOT from dealers. They may even fax you a copy of their business license. Just because they do that, it doesn't mean they are really selling any products. For example, they could just be a videographer with a business license for their videography business.

I recommend that you sell the evaluation video at the retail price and then offer to refund the difference between the retail price and the dealer price when they order more.

Most Special Interest Video producers sell direct and they sell through dealers as this gives them the best access to the market place and it can allow them to make the most money in the long run.

Dealer Profit Margin

When you sell to dealers you need to allow the dealer to make enough profit on the video so it's worth it for them to carry it. Some SIV producers only give a 25 to 30% profit margin, while other SIV producers give a 40 to 50% profit margin.

Offering a low profit margin to the dealers can turn off most dealers, as they have to pay for the shipping of the video to them, they have credit card fees to pay on each sale, and

they have to tie up money stocking the video.

To better the profit margin, motivate the dealer to carry the video.

Let's look at some examples:

In all of these examples we are going to say the dealer has to pay credit card fees on the sales, which will be approximately \$1.00. This is based on a 2.5% credit card fee and .25 per transaction. Plus, they have to pay for shipping to get the product to them, unless you are going to ship it for free. Let's say shipping is \$10.00 for 10 copies of the video. That means it is costing \$1.00 per copy for shipping. So this means the dealer has a \$2.00 overhead on each video that must be subtracted from the profit they would make.

25% Profit for the Dealer

A \$29.99 video at 25% profit margin = \$7.50 gross profit for the dealer.

Subtract the \$2.00 overhead cost and that leaves the dealer with an \$5.50 profit.

A \$39.99 video at 25% profit margin = \$10.00 gross profit for the dealer.

Subtract the \$2.00 overhead cost and that leaves the dealer with an \$8.00 profit.

30% Profit for the Dealer

A \$29.99 video at 30% profit margin = \$8.99 gross profit for the dealer.

Subtract the \$2.00 overhead cost and that leaves the dealer with an \$6.99 profit.

A \$39.99 video at 30% profit margin = \$12.00 gross profit for the dealer.

Subtract the \$2.00 overhead cost and that leaves the dealer with an \$10.00 profit.

As you can see from these above examples, there's isn't much profit in it for the dealers. And when there isn't enough profit for them, they are going to be less likely to want to stock your video. If they do want to offer your video, chances are they will want you to drop ship it for them.

This is why a lot of Special Interest Video producers offer a higher profit margin to the dealers that stock their videos.

Drop Shipping

This is where the dealer will want you to ship the product for them. There are lots of companies who operate this way and not just in the Special Interest Video market. They stock nothing or very little. They will take the order for video or product and then contact you to ship it out. There is very little work in it for them, as all the work falls on you since you will be doing the packing and shipping.

On the plus side, it can get your video more exposure on the web, since it will be offered through more websites than just your own. For some this can help increase overall sales.

On the downside, you will be doing the same amount of work if you were selling it directly, but for less money, since you are going to have to offer the dealer a profit margin. Some people feel that when you work with dealers who want you to drop ship, that you are competing against yourself. I guess in a way you are, but this is something you will have to decide for yourself.

Net Terms for Dealers

While most dealers don't have a problem paying you by credit card, you will find that some dealers will want Net 30 Terms for the products they buy from you. You will have to decide whether or not you want to extend credit to these dealers. Most dealers are pretty good about paying on time, but you will have those that will take well over 30 days and even up to 90 days to pay.

Accepting Dealer Returns For Refunds

While most dealers won't try to return items for a refund, there are some that will. You have to be very clear with your dealers on what your return policy is, if any. Most Special Interest Video producers do not allow refunds for dealers.

One Special Interest Video producer sold several hundred copies of a DVD to a large Video/Photo dealer in New York city. He thought this was great. They paid by credit card and he shipped the DVD's. Then about a month later, they sent all of the unsold copies back to him and wanted a refund on all the copies that were not sold, except for about 10 copies that they were going to keep in stock. While this doesn't happen often, it does happen and you need to be aware of it before accepting large orders.

Another problem of a dealer will order a large quantity on Net 30 Terms, whatever isn't sold when the bill comes due, they return and only pay for the ones they sold.

Make sure you are VERY clear with the dealers on your return policy.

There is a lot to think about when deciding how to sell your video. I have known Special Interest Video producers who have only sold their videos direct, while others have sold through dealers. Everyone seems to have their own reasons for selling their respective ways.

Two Special Interest Video producers who originally sold through dealers and also sold the videos direct then stopped selling to dealers and just sold direct to the customers.

Both of them said their monthly profits went up and they started selling on eBay, which helped increase their sales. The dealers just were not moving that many videos.

On the other hand, several other Special Interest Video producers sold direct only. Then they added a few dealers and it didn't affect their direct sales. It did however, improve their bottom line since they were now getting orders in from the dealers. They said most dealers will order 10 to 20 copies at a time and this is on top of their regular direct sales.

As you can see there are pros and cons to each method of selling your video.

Evaluation & Review Copies

From time to time you will get requests for evaluation or review copies for dealers or magazine reviewers.

Be careful.

I've talked about people posing as dealers above, so I won't go over it again.

However, people will call you and say they want to do a review of your video for a certain magazine and they would like to see a copy of the video. Before sending the video to them, call the magazine and verify that this person is going to really review the video. If you never heard of the magazine, look them up on the Internet and call them. These people come off very confident and they sound very professional, but in our experience they are not affiliated with the magazine.

Several SIV producers have been ripped off this way. A couple of them even said they had one guy who was actually with a magazine and had a regular column contact them for the videos to review. They sent the videos to him and he never reviewed the videos. They contacted the magazine about this and they had no idea he was doing this and this was not their normal policy.

If you are going to send a video into a magazine for review, make sure you talk to the editor and send it directly to the magazine.

The same thing happens with people who have a website. They will contact you for a review copy, as they want to feature the video on their website. Be very careful. I know several Special Interest Video producers who sent videos to these people only to never have the video reviewed and the video ended up being bootlegged and sold on several eBay sites outside the USA.

Duplication and Packaging

You have a couple of options, you can do your own duplication in house or you can send your DVD out to a commercial duplicator.

Commercial DVD Duplicator

Companies offering DVD duplication are all over the web and the prices for DVD duplication are coming down. These DVD duplication companies offer a wide range of services, such as:

- * Bulk duplication
- * Print on the DVD
- * Printing the DVD case insert and inserting into the DVD case
- * Loading the disk into the DVD case
- * Shrink wrapping the DVD

Most companies who offer complete duplication and packaging will require you to place an order for a minimum of a 1000 DVD's. Although, there are a few companies on the web that will do a short run of 100 copies, the cost can be double or triple that of a 1000 copies.

Most commercial DVD duplicators will quote you a duplication price that won't include printing on the DVD or any of the packaging. So make sure you get a quote for complete packaging if you choose to go this route. Turn around time is generally 5 to 7 days from most of these companies.

There are some benefits to using a commercial DVD duplicator.

- * They can save you time, as they will do all the work for you.
- * You don't need to buy any duplication equipment.
- * You don't need to buy any blank DVD's, cases or inserts
- * You don't need to package the DVD.

The draw backs are:

- * You need to find some place to store all those DVD's, especially if you are producing a multiple volume set of DVD's or several different DVD titles.
- * You have to buy a minimum number of copies and this can be expensive.

In-House Duplication

Rather than having a large inventory of DVD's sitting on the shelf, Special Interest Video producers are doing their own in-house duplication. There are several ways you can do this.

1. Using a DVD duplication tower. A duplication tower will allow you to duplicate anywhere from 1 to 16 disks at a time, depending on the duplication tower. For example,

with a 10 drive duplication tower, you'll have a master drive which you put your master DVD and then you will load the 10 duplicating drives with blank disks. Then in about 15 minutes or less you will have 10 copies of your DVD.

2. Using an Automatic DVD duplicator. This is a device where you stack a group of blank DVD's into the loader. A robotic arm will then pick up and load a single disk into a DVD drive and it will burn a single copy. Once it is done, the robotic arm will pick up the DVD and either place it into the completed stack or it will run it through a printer, depending on the model you have. (Note: There are newer models now that will burn up to 3 DVD's at once, instead of just one DVD.)

3. You can use the DVD drive in your computer to burn a DVD one at a time. While this may be fine in the beginning, if your DVD takes off, you may find yourself not being able to keep up with orders this way.

Doing your own DVD duplication can allow you to control how many DVD's you stock on your shelves. If you use a DVD duplicator and you have 3 DVD's that you are selling, you will need someplace to store 3,000 DVD's. On the other hand, if you are doing your own duplication, you can stock as many as you want.

There are some benefits to doing the duplication in-house.

- * You can duplicate as many as you need to, so you don't have to worry about finding some place to store a 1,000 DVD's.
- * Generally, your cost to duplicate a DVD is going to be lower.
- * You can change the look of the DVD printing or label at any time. For example, if your area code should change or you move, you won't be stuck with a large amount of DVD's with the wrong information on it.
- * You can change or update the DVD case insert at any time.
- * You could set up a side business doing DVD duplication for others.
- * Buying the DVD duplication equipment and a printer if you want to print directly on to the DVD will cost about the same amount of money as having 1,000 DVD's commercially printed. Once you make this purchase, your cost for duplication DVD's drops down dramatically.

The draw backs are:

- * You will be doing the duplication yourself.
- * You will need to buy the duplication equipment.
- * Depending on whether you choose to print directly onto the DVD or to use a label, you may need to buy a DVD printer. (More on this just below).
- * You will need to buy DVD cases. They come in a box of 100, so storage shouldn't be a problem.
- * You will need to buy blank DVD's.
- * You will need to print your own DVD case inserts or have a printer print them for you.

DVD Printers

In order to print on DVD's you need to use printable DVD's and a DVD printer. Low cost printers that can also print on a DVD are available from Epson and HP. With these printers you manually feed the DVD's in one at a time.

Primera makes several different models of automatic DVD printers. Like the automatic DVD duplicators, you load a group of burned DVD into a hopper and the robotic arm will pickup a DVD one at a time, then places it under the print head and when the printing is complete it places it in the completed bin.

There are several manufactures who make automatic printers, so it's best to check around on the web to see which one will suit your needs.

Tip: When printing directly on the DVD, design the label so that it doesn't use a lot of ink. This will save you a lot of money in ink and on some models it will reduce the amount of time it takes to print the DVD.

DVD labels

Some people don't like to use labels on their DVD's. Some people will tell you that they have had all kinds of problems with DVD's that are labeled. I have to say, from the dozen or so Special Interest Video producers that I've talked to who use labels, no one has had any problems, as long as they used a good quality label that covers the entire disk. All of these people are using Stomper compatible labels from Polyline Corp.

We have heard a few complaints from people on the web about using labels. However, after talking with several of them we found out the following:

1. Either they were applying the DVD label on a disk that was designed to be printed on. In this case the label will not stick to well or they will peel up after a time.
2. They were using cheap labels and they would not stick too well.
3. They were NOT using a device like the Stomper to apply the label with and the labels were NOT properly centered, so they would be unbalanced and cause read errors.
4. They were using labels that were not designed for use as a DVD label. For example, some people were using mailing labels, which cause the DVD to become unbalanced when reading it, thus causing read errors.

Once they started using proper labels on the proper disks and applying them correctly, their problems disappeared.

Polyline Corp. sell both the Stomper and the DVD labels that work very well. Just remember, DO NOT put a label on a disk that is designed to be printed on. It will have problems staying on.

The Stomper comes with software for printing DVD and CD labels. This software is very easy to use and it will allow you to create some very impressive labels. The DVD labels

can be printed on any inkjet printer.

Since printers have a different print quality settings, you should try printing your labels at each of the quality settings. This way you can see which setting will print a good quality label, without using a lot of ink, as it will on the highest quality setting.

It is best to use a matte finish label, because the glossy label tend to smear the ink in some printers.

Tip: When designing your DVD label, try not to create a label where you are printing over the entire label. Not only will you save ink, but they will print faster. Also, allow the labels to dry for about 20 minutes before applying them.

When applying the DVD label, use the DVD Stomper so the label gets applied correctly and is centered on the DVD. Then using your thumbs, rub the label down, to ensure there is no bubbles and the label attached firmly to the DVD.

Other DVD Information

I often get asked to recommend DVD's. I use Memorex DVD's, which are made by Ritek. I have had the best luck with the Ritek and Memorex DVD's. Whatever you do, be careful with the off brand generic DVD's. I have had more problems with those, such as a high failure rate during duplication.

When doing your own duplication make sure you have your equipment set to verify the disks after they have been written to. You will get a bad blank DVD every now and then, so it is important that you have the disks verify.

Discmakers is a good source for duplication equipment. www.discmakers.com
Polyline Corp. is an excellent source for DVD cases, blank DVD's, the Stomper system, DVD labels and DVD case inserts. www.polylinecorp.com

What price should I charge for my video?

Setting a price can be one of the hardest parts of producing Special Interest Videos. This next section is to give you some things to think about before you set your price.

If you price it too high, you may turn people off from buying it.

If you price it too low, you won't be able to cover your marketing cost.

OR

If you price it high, people may think it's better video than others.
If you price it low, people may think that if it is that cheap, it can't be any good.

OR

If you price it high, you'll have an easier time covering your marketing cost without having to sell a ton of them.
If you price it low, you might sell more videos, thus making the profit with higher sales volumes.

Confusing isn't it? Let's explore some real life examples so you can at least start thinking about what price you want to charge.

Example: 1

A few years ago I attended a ceramic trade show. During the show I noticed that there were only two people there selling videos on how to do ceramics. I spent some time talking with both vendors about their SIV tapes and the ceramic market.

Donna was the first vendor I talked to. The SIV video she produced was two hours long and sold for \$49.95. The video covered all the major topics such as cleaning the greenware, painting techniques, proper firing techniques, etc. Donna told me that she was selling about 25 copies a month from an ad in one of the ceramic magazines.

$\$49.95 \times 25 \text{ copies per month} = \1248.75 (average sales per month)

The other vendor, Nancy, who I also talked to, was offering 10 different video tapes. Each tape was on a specific topic. One on cleaning the greenware, one on painting techniques, etc. They were price from \$9.95 to \$19.95 depending on the length of the video. For example, a 30 minute video was \$9.95, a 45 minute video was \$14.95 and a 60 minute video was \$19.95. Since each video covered one topic she was able to give more specific, detailed instructions and more examples than what Donna offered. (Remember what we said earlier about creating multiple volumes? This is a great example of a topic that you can do that with).

Nancy went on to explain, that her average sale was for 4 to 6 videos and that most customers came back to purchase the remaining videos. This helps to increase her overall sales.

Average sale is 5 videos x an average price \$14.95 = \$74.75

Nancy explained that she was getting in about 45 orders per month, with monthly sales totals of approximately \$3500.

Now you might be thinking, that one of them has a bigger ad or that one of them does more marketing than the other. The fact is, they are both only running one ad, they are the

same size and it is in the same magazine and they only sell direct and not through dealers.

So why does Nancy sell more videos? From talking with Nancy, she explained, through market research she did, this particular market is somewhat price sensitive. By making the videos on specific topics the customer only has to buy the videos that they have an immediate need for. Since the prices are set low the customer feels they are getting a better deal or more value for their money.

Example: 2

I found this to be true. Back in the early 90's when I produced the SIV tapes for the Tandy computer market, the first video was priced at \$39.95 and sales were great. When the second video came out the price was \$19.95 to see if a lower price would increase sales. During the first 3 months only 25 copies were sold. I pulled it from the market for a 3 month cooling down period. Then, using the same ad, changed the price to \$39.95. Sales took off! Sixty videos were sold in the first month at the new price and sales remained steady. In this particular market, the higher the price, the better the sales. People in this market felt that if it was so cheap it couldn't be any good.

Example: 3

One producer, Curt, decided he was going to price his video at \$14.95, while other videos were selling for an average price of \$29.95. Curt's video was 2 hours long, while other videos on the market were only 90 minutes. So he figured a video that was longer and priced less than everyone else, his video should be flying out the doors.

While his sales were good for the first two months, he had priced the video so low that he ended up not being able to cover his expenses for marketing and operational expenses. In a desperate move, he lowered the price to \$9.95 thinking the lower price would boost his sales and that he would make up the money in volume.

Guess what happened? The number of copies he was selling stayed the same for the first few months at the new price, then sales dropped and he was losing even more money.

Curt ended up pulling it off the market. A few months later he sold the video rights to another gentleman named Steve. Steve felt the video was priced too low, so he started selling the video at \$29.95, right around the price of the other videos in that market. His sales took off and he did well with the video for several years.

Example 4

Do you remember when Beanie Babies were the hot collectable item? There was one SIV producer that came out with a video on the Beanie Babies. He priced the video at \$19.95 and it didn't really sell. He lowered the price to \$14.95 and sales still didn't take off. He then lowered the price to \$9.95 and sales were just okay. When he decided to quit and clear out the video, he priced them for \$6.95. Guess what? They flew out the doors.

People in this market put their money in the beanies, not into information about them.

However, once the price of the video got down low enough so it wasn't a big expense, they sold. In the end, he ended up making a small profit from his venture.

Example 5

Jerry came out with a video on a video editing software package. At the time the software sold for around \$995.00. He priced his video at \$19.95 and sales were not that great and on top of that, he wasn't covering the cost of his ad. He sent me a copy of the video and it was excellent. I told him to raise the price of the video. It was priced too low for the market. People just felt it couldn't be that good. He took the price up to \$69.95 and his sales took off and he started to make a decent profit from the sales.

Jerry then came out with another video for an editing software package that sold for \$99. He priced this video at \$69.95. He quickly learned that it was priced too high. People that are only paying \$99 for a software package are not going to layout \$70 for a video. Jerry dropped the price down to \$19.95 and sales soared.

Confused? Just keep reading....

Over the years I've seen a lot of SIV producers take the attitude that they will undercut everyone else out there. I've also seen this in the video hardware market too. But, the problem is they don't understand all of the costs involved in running a business and they don't understand the market they are working in.

Now I know a few of you are thinking, "Hey, I will work out of my home so I won't have the expenses everyone else has". Or you are thinking "I don't need to make a big profit on this product, just a few bucks will do". Again, I can tell you from experience this type of thinking shows you don't really understand what your cost will be.

Remember, you are in business to make money, not loose it. While it may not have cost you \$5 million dollars to make your video, you did have costs producing it. Plus, you have the cost of duplication, packaging, equipment cost, labor cost and marketing cost.

If you are going to sell through dealers, remember to make sure you have enough profit built into the price so you can give the dealers a decent profit margin to work with.

As you can see, selecting the right price for your video for the market you are producing, is not that easy. Pay attention to your production costs, your marketing costs, take into consideration what others are charging and price it so you can make a profit.

When Should You Retire Your Video?

That depends, if it is the only video you have produced, then pull it from the market when you are not making a profit anymore. Take a look at why you are not making a profit

anymore and see if there is another way you can market the video to bring up the sales. On the other hand, if you have several other videos out for the same market place, don't pull the video until all sales of that video come to a dead stop.

For example, you have produced 12 videos, each showing how to use a different sewing machine. 5 of these videos are about sewing machines that have been discontinued and the sales on these 5 videos have dropped down to only selling 3 copies each per month. Each video is priced at \$39.95. Should you pull these 5 videos at this time?

Before you answer, let's do some math:

$$\begin{aligned} 5 \text{ videos} \times 3 \text{ copies each} &= 15 \text{ copies per month} \\ 15 \text{ copies per month} \times \$39.95 &= \$599.25 \end{aligned}$$

When combined, you are still making almost \$600 a month. By all means keep selling them as long as you are not losing money on them. If you are doing your own duplication, it is costing you almost nothing to produce a few extra copies of these tapes. As far as your advertising goes, you may not want to run large ads on them, but mention them in your ads, keep them on your website and you might try selling them on eBay. After all, you can still make money on them!

This is especially true with equipment videos. You have to remember, there is a secondary market out there. Even if the product has been discontinued, it doesn't mean everyone will just stop using it. Older, outdated equipment often becomes used equipment for sale. People who are buying the equipment used for the first time may still need your video. No, the sales on the video won't be as high as when it first came out, but you can still make money selling only a few copies each month.

Special Interest Videographer.

This is a different way of producing Special Interest Videos, it's where you are getting paid to produce the SIV tape for someone else. This method may be known by different names, but basically you are selling your video services and providing them with a Special Interest Video package that they can market themselves.

Method One

The idea behind this method is to sell the client a package, where you video tape them giving their presentation or teaching their class. You edit the tapes, package the videos and deliver to the client a set number of copies that they can sell right away. You keep the edited master so they have to come back to you for more copies. You can make money up front on the video production and make money on the backend, by selling them copies of the videos over and over again.

As a quick example of this, you sell your client a package for \$3000. For this \$3000 dollars you will shoot, edit and deliver 100 finished DVD's all packaged and ready to sell. All they have to do is sell 100 copies of the videos at \$30 each to recoup their investment. If they sell the video for \$40, they can recoup their investment after selling 75 copies and make \$1000 profit selling the remaining 25 copies. From there, you continue to provide them with copies already packaged and ready to sell for a set price. Usually, this is anywhere from 30% to 60% of the selling price.

Although this may sound easy, it goes without saying, it is not for everyone. I have talked with videographers who have tried this method, while some had success with this method, others did not. But this is true with any business.

1. You will need to find a client that specializes in a unique area or a particular field. An example of someone would be an instructor, a trainer or someone who has a following. There must be people who are willing to pay for this information beyond the classroom or presentation. Also, they must not already have a DVD that they sell.

2. Make sure your clients can afford the up front money. Remember, they are paying you \$3000 **BEFORE** they start selling the video. Some clients are not too comfortable outlaying this amount money, so this is where a good sales technique is required. Usually, you will collect \$1000 at the time you close the deal. Another \$1000 at the end of the shoot, with the balance due on delivery of the first 100 videos. If the client can't afford this much cash outlay or doesn't want to risk that much money, don't be surprised if they ask you to finance part of the deal.

3. You will need to have a very good sales technique when dealing with most people. Since not everyone is comfortable "cold calling" on a potential client, you have to make sure that you are comfortable with this approach. If not, you may find it hard to convince a client to go along with this idea. It was explained to me, that you have to be prepared to "sell the sizzle" or "hype" up the concept to the client. It is important that the customer feels their video is a real winner and has a lot of sales potential. If the client has a "following" or is well known in their particular field, chances are the video should do well for them. In any case you have to be careful not to mislead the customer. Again some people are not comfortable with this, make sure you are.

4. Be prepared to overcome some objections from the client. Not everyone will openly embrace this idea. For instance, they may feel that once their seminar is on video that it will cause attendance to drop. Most of the time just the opposite happens. For example, John Lyons is a well known horse trainer that travels the country putting on training seminars. He also sells a seven volume set of videos that was taped at one of these seminars. During the break time or at the end of the day, it is not uncommon to see people line up to purchase his video set. There is so much information given during one of his seminars, that it is impossible for someone to remember it all so they end up buying the set of videos.

5. Keep in mind that as you approach the client with this idea, you are planting the seed of an idea in their mind. Be prepared to close the deal right away. You don't want them to have too much time to think about it. If they do, they may start shopping around with other videographers to see if they can get the video produced at a lower price or even worse, they may try to videotape it themselves. Several videographers have told me they have approached a client, went through the sales pitch, getting the client excited about the concept, only to have the client hire someone else who was less expensive to produce the video.

6. When making the proposition to the client, make sure they understand that you are offering a complete turn-key professional package, including editing, packaging of the video and duplication. This is very important as some clients will go shopping for a lower price and they may find they are not getting all of the benefits that you are offering. This will make your offer look better to them.

7. If you get hired to shoot the video, most likely you will be shooting their presentation live and depending on the length of the presentation you may only need a half a day to shoot. Editing time will be cut down, since you are shooting them live. However, this sometimes can bring up a problem, "the client wasn't happy with their presentation". They now want you to reshoot the video. After all, they are paying **you** to produce this video for them and they will want it perfect. Luckily for most, this won't be a problem, but it is something that you should be aware of and have a provision for, in your contract that covers this.

A few videographers reported that the client didn't like the editing or the way the video was shot. All of these problems are ones that you must be prepared to deal with. (When you produce your own SIV videos that you are selling, you will avoid these headaches.)

8. Unlike producing an SIV DVD where you are taping yourself, you are now working for someone else. Remember, they hired you to produce this video, you will have to work whenever they are giving their presentation. They are going to have certain expectations, so it's important for you to explain the whole process of shooting the video to them, this keeps the client informed and reduces any misunderstandings on the clients part.

9. Make sure your packaging is acceptable to the client. Go over all the options with them as far as what you can offer them. Don't leave anything to their imagination, make sure they know exactly what they are getting.

Method Two.

Here is another angle to producing Special Interest Video for someone else. This method usually comes up when you are dealing with a client who can't afford or doesn't want to outlay the cash to have the video produced. Again, this method isn't for everyone.

This method is for the client that has a smaller more localized following, such as a craft

store or local instructor who has an outlet (ie. store) where the videos can be sold. You offer to produce a video of them giving their presentation or teaching a class. You edit the tapes, package the videos and deliver to the client a number of copies that they can sell right away. You keep the edited master tape so they have to come back to you for more copies. You make money *only* on the backend, when the video sells. The videos can be purchased by the client or be placed in their store on consignment. This eliminates the cash outlay of the client, but you are now assuming more risk in the project, since you are not getting paid up front.

You sell the videos to the client at 25 to 50 percent off the selling price. You will need to make sure the video is priced high enough for you to make a profit and but low enough so it sells. The downside to this method is some clients or store owner may not have a big incentive to sell the videos, as they don't have a lot of money invested in the videos.

In either of these methods, you are relying solely on the client to market the videos. This won't be a problem if the person has a "following" or is well known in their field and there is a demand for their information or instructions they are giving.

A True Story

The following is a true story. I changed the person's name, out of respect for him. I wanted to pass this story on to you so some of you don't make the same type of mistake.

Back in 1998, Henry decided he wanted to get into the Special Interest Video market. He had an idea for 3 different videos. He started out building a small set and studio in his basement to shoot these videos. About half way through setting up his studio, he decided that if he was going to this, he wanted to do it right. He was going to rent space and build his studio. When he told me that he was going to do this, I tried talking him out of it. But, I knew that wouldn't do any good. You see once Henry made up his mind on something, that was it.

Henry went out and rented 2,500 square feet of office space. He set about designing the place so it had 2 rooms for editing bays, a reception area, conference room, lunch room, his office and of course the studio. (As a side note: Henry has some very deep pockets, so he could afford to do this).

Over the next 2 months he had construction crews building out the space to fit his needs. Once the space was completed, he hired a receptionist, put in a very elaborate phone system and furnished the place.

Month 3. Then he went to the local community college, where he had courses on video and television productions and hired two students who just graduated. They were going to be the cameramen and editors. Once he hired them, he went about equipping the

studio.

He put in a very expensive lighting system, bought two complete editing systems including custom build editing desks, two 3 chip cameras, tripods, dollies, wireless mic systems, etc.

Month 4 and 5. He told the two students to spend this time learning all the equipment inside and out. During this time Henry decide to research the market for his 3 videos.

Month 6. By now Henry was spending close to \$8,000 a month for salaries, rent, electric, phones, etc. He had invested over \$80,000 in furnishing the office, the phone system, office equipment, video duplication and DVD duplication systems, video equipment, etc.

All this expense and they haven't shot 1 sec of video footage for any of the special interest videos.

Around the middle of month 6, I was sitting in Henry's office with him when he said to me, and I will never forget this, "You know I don't see how you can make any money at this. I am going to close up shop."

And that is just what he did.

Remember, you are not making a \$100 million Hollywood movie. You are creating a Special Interest Video. You don't need a studio or a staff of people. You just need to use good production vales and provide solid information

This Ends It For The First Version of Our Book

We are going to come up with a second version of this book in early 2008. Please watch our website <http://www.studio1productions.com/sivkit.htm> for the second version. Please do not link directly to this PDF, please link to the above page.



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