

"this business has legs"

HOW I USED INFOMERCIAL
MARKETING TO CREATE
THE \$100,000,000

THIGHMASTER[®] CRAZE
EXERCISER

AN ENTREPRENEURIAL
ADVENTURE STORY



**Peter
Bieler**

WITH
**SUZANNE
COSTAS**

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New York • Chichester • Brisbane • Toronto • Singapore

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Published by John Wiley & Sons, Inc.**

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ISBN 0471-14749-4

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

Acknowledgments

Magnificent efforts by many people, in addition to the ones mentioned in this book, made the ThighMaster campaign a success.

Scott Wallin helped set up the company and steer it in the early days. My attorney Michael Wolf was instrumental in the negotiations that shaped the company. I was very dependent on another superb lawyer, Anthony LeWinter, during the difficult negotiations that attended my departure three years later. Gordon Stulberg, a generous man whose coattails have helped many young entrepreneurs to get a toe-hold, made the important introductions that birthed the company.

John Pike came on board after Randy Akers to manage our sales operation. Barry Entous, Marcia Sweet, and Dale Von Seggern were the accounting experts who helped keep the company on track dur-

ing the difficult period of explosive growth. Karen Sykes ran a very efficient sales support staff. Ardie McDonald was superb in consumer relations. The list is long. I wish there was room to thank everyone involved. This is a very personal telling of an experience shared by many. I hope at least I have done credit to their memories of the time.

Ovation was also a virtual corporation, totally dependent on outsourcing to survive, much less flourish, when the ThighMaster campaign took off. We had a terrific team, including: Larry Bouchard and Tim Litle at Litle & Co., who did our credit-card processing; Rollie Froehlig at National Fulfillment; George Smith at West Telemarketing; Larry Schneiderman at Corinthian Media, helped by Arthur Yelsey, now at MediaSpot; Jess Joseph at NSI who ran our print ads; and Ben Giordano at Media Syndication Global.

Bob Todd offered crucial encouragement at the time I was trying to make the difficult decision to launch a retail operation.

Randee's and my good friend, the screenwriter Laurie Craig, first suggested that I write this book and kept encouraging me to do it, even when it was an unformed concept and an unlikely project.

When I finally took her up on the suggestion, I contacted my friend John Javna, who helped me get set in the new-to-me world of New York publishing. The well-named Faith Hamlin championed the book when it was just a vague idea. This is not the usual business book, and Janet Coleman, our editor at Wiley, was courageous to sign it up, and equally so to keep pushing and pushing for it all along the tortuous path to publication. Susan Bencuya checked our facts, saving us from embarrassment more than once.

My daughters Holly and Lacey are very young and not entirely happy about the time I have taken away from playing with them to work hard at getting this manuscript ready. Thanks, girls. Looking forward to getting your reaction when you read it in ten years.

The project would have died in its earliest stages if my wife Randee had not rescued the book proposal before it went out to publishers. She generously took time away from her own busy writing schedule to completely restructure it. This book would not be in your hands now without her intervention. During the writing, she filled in for my absence from the family, kept encouraging me, and offered valuable editing suggestions. I am lucky she is both my wife and partner.

ACKNOWLEDGMENTS

During the writing, three friends also offered valuable editing input. Thank you Laurie Craig, Nancy Peter, and Jim McNamara. Suzanne's friend Susan Feldman also read it carefully and suggested many valuable line edits that we gratefully used.

This book was written in a bicoastal collaboration using phone and fax. I worked early mornings, and Suzanne worked late at night. We both worked weekends, and we both imposed unconscionably on our families. Suzanne's husband Barry Borak was Mr. Mom for their daughter Allegra for months on end. Thanks to both father and daughter for their patience, and to her nanny Nicola Irish.

The incidents and characters which make up this story are vivid in my memory, and I have described them frequently to friends. But there is a world of difference between telling a story and shaping it to be compelling for a reader, as anyone who has sat down to write a memoir knows. Point-of-view, pacing, scene setting, and construction are suddenly major concerns, demanding insightful choices, or your narrative is derailed. Without a talented cowriter, your story will not find an audience.

Suzanne Costas is a dream collaborator. She demanded clarity where I might have been satisfied with fuzzy mumbling. She ransacked my memory for telling details to bring scenes alive. She leaned on the delete key when I droned on. And in those inevitable dark hours when a deadline was looming, the collaborators tired, and the page empty, she laughed and got the job done.

Many people are responsible for the success of the ThighMaster campaign. I am responsible for the content of this book. But if you are beguiled by the telling of this story, thank Suzanne.

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Introduction



John Lennon quipped that the Beatles were more famous than Jesus. I won't make *that* mistake.

I will say, however, that if you haven't heard of the ThighMaster exerciser, you've been shipwrecked on a deserted island or you're still in Pampers; either way, you won't be reading this book. It's safe to assume, therefore, that you're acquainted with the product, that you probably recall the ad campaign featuring Suzanne Somers, that you may even have a ThighMaster under your bed or have given one as a gift to someone you love or as a joke to someone you don't.

Me? I'm the guy behind the ThighMaster success, a dubious distinction unless you appreciate the difficulties inherent in capturing the attention of the whole country, in selling 6 million

ThighMasters in less than two years and doing it all without a war chest the size of General Motors.

In fact, the phenomenon that grossed over \$100 million started in a modest office with three people.

I discovered the ThighMaster when it was leading an unglamorous life as an upperbody exerciser at a fitness ranch. The first thing I did was give it sex appeal. I defined it as a shaping and toning thigh exerciser for women. Then I promoted it like crazy. I launched a national media campaign using infomercial advertising. But I had more in mind than creating the next Chia Pet promotion. My goal was retail.

Why? Because only one person in five who sees your ad with an 800 number and wants your product will actually phone in an order. The other four will wait until they can purchase it in a store—they just have to hold something before they buy it. These are the folks you want, the dyed-in-the wool retail shoppers. The phone-in buyers pay for the media. The ad runs frequently. Those retail shoppers start asking for the product where they shop. And all of a sudden, Kmart, Wal-Mart, all the big retail operations that it takes most manufacturers years to get into, are courting you. You've hit the jackpot.

The ThighMaster campaign was the first major hit designed around this strategy. What did it mean? Now small companies had a way to buy national advertising to establish mass-market brand awareness.

Just what I was looking for.

In a family of artists and academics, I always wanted to be a businessman. When I bought a Pepsi after school, I was aware that there was a person behind that product, someone whose company had managed to capture the public's attention so that all over the country, all over the *world*, people bought the product almost instinctively. What an achievement, I thought. Is it any wonder that two of my favorite books are David Ogilvy's *Confessions of an Advertising Man* and Jerry Della Femina's *From Those Won-*

derful Folks Who Gave You Pearl Harbor? They sit on my desk, and they're dog-eared.

My fascination with how advertising campaigns create brand names that everybody knows and trusts led me to a job at Procter & Gamble. I didn't expect to stay long; I saw myself as an entrepreneur starting a mainstream consumer products company. At P&G, I learned the mechanics of brand creation. I also learned that launching a national brand required a big, compelling advertising campaign, expensive beyond belief but absolutely necessary. I put my small-business fantasy on hold. I moved to Hollywood. What can I say? I liked films.

I worked for years in the entertainment industry and had some success and a lot of good adventures. Then, when I was 45 years old, I stumbled upon the newly born infomercial industry.

It was a carnival business, for sure, but it had some redeeming qualities—chief among them, terrific cash flow. Here was a way to finance a media campaign without millions of dollars in the bank. And it didn't take much money to get going. I swallowed hard and jumped in.

There's no doubt about it, infomercials are an odd way of selling. Thirty minutes devoted to a hair accessory or a new-fangled mop seems a bit much (though not for products like Windows 95 and Phillips CD Interactive). And the industry has been roundly criticized for peddling schlock. I've no tolerance for shoddy products or for deceptive advertising and false claims. Here I am in perfect agreement with P.T. Barnum, erroneously associated with the slogan, "There's a sucker born every minute." Barnum was one of the first American business people to appreciate publicity, but he drew the line at cheating the public: Once the customers are lined up, never fail to give 'em their money's worth. People often ask me if the ThighMaster works, and I always say the same thing: It does if you use it.

There are those who say infomercials work because people are vain and stupid and gullible. I disagree. Infomercials work because people are isolated. Isolation is a fact of modern life and explains why all kinds of people, yes, even people with college degrees, buy off television. Infomercials work because we're

social creatures; we like to feel that we're part of something, even if it's a television audience. Marshall McLuhan was correct when he observed that television was "above all, a medium that demands a creatively participant response." I'd say that goes double for infomercials. Not only do the ads demand a reaction, they push you toward the telephone.

You'll hear many arguments against going into this business: Only one in seven shows succeed; media costs are rising; celebrity royalties are rising; margins are thinning; and, unlike the early days of infomercials, competition is cutthroat. My response is that it's got a better chance of success than many businesses you could start, and, if you succeed, the payoff is a lot higher than most.

I'm not embarrassed to have made a fortune with the ThighMaster. (I loved the jokes on *Letterman* and *Leno*. The more jokes, the more ThighMasters we sold.) We made a good product and people bought it.

Was I surprised? Not at all. Some products capture the public's fancy by accident. I know the guy who promoted the Pet Rock, and he was as surprised as anybody by the product's success. But the ThighMaster craze was no accident. It was deliberate. It was calculated. And it can be repeated.

That's an important message in this book. Any manufacturer, importer, or inventor with a product that has mass appeal can launch a national TV ad campaign, largely or wholly paid for by the people who phone in and buy off the 800 number. Forget the *what* of infomercials—the Ginzu knives, the smokeless ashtrays. Focus on the *how*, the process that can put a national TV campaign within the reach of even tiny companies. A campaign that can catapult a product into the big leagues as a brand-name star.

Who should be using these techniques? Anyone with a mass-market product that has a distinct advantage over the competition that would be compelling in a TV ad. CD software manufacturers, for instance. Book publishers. Clothing designers. Manufacturers of household appliances, furnishings, sporting goods, and health and beauty products.

But wait! There's more! as they say on TV.

INTRODUCTION

The infomercial industry also offers excellent opportunities for start-ups. The initial investment is relatively low. The industry has dependable vendors to handle every aspect of the campaign and help newcomers steer clear of big mistakes. It's a cash business. You get your money before you ship your product. And best of all, when you have a success, the cash flow is quick and massive. This book shows you how to get there.

There's something else about infomercials that attracts a whole different crowd—*they're long*. That's why Chrysler, Apple, Mattel, and other Fortune 1000 companies are using 30-minute ads to explain the features and benefits and innovations of their new products. A 30-second spot gives you a flattering snapshot of a product. A 30-minute infomercial is a full-blown press conference. Marketing executives take note.

But this book is not just about marketing strategies. It takes you behind the scenes of a wildly successful media campaign that began with no money, no product, no experience. I share all my secrets.

It did not come easy. Writing a business plan and finding financing were tough enough. The unexpected challenge was overcoming doubt and discouragement. So many times I had to jump-start myself out of inertia. I had to stare down a sense of futility. I needed to recover from heartbreak and betrayal I never expected.

I have laid out strategies for success in this book, including all the how-to information someone new to the infomercial business will need to prosper. But I've also told a very personal story. The inner struggles of a start-up entrepreneur are as formidable as the outer ones.

I promise you a tale of marketing, mania, and the American Dream; a story replete with curveballs, contradictions, and surprises, set against the backdrop of a markedly unusual (read bizarre) industry.

Stay tuned.

CHAPTER · 1



A Hollywood Adventure

