

## Product Evaluation Checklist for Direct Response Marketing

Most Direct Marketing companies have developed some method for prescreening products to determine their potential for success in direct response and eCommerce channels. In most cases, these methods are fairly subjective and largely intuitive. One of the major benefits of Direct Marketing is its measurability and predictability that enables the marketer to develop a more formal and objective process of product selection and screening.

The following table lists the issues and questions that need to be address when evaluating products to include in your merchandise mix.

Issue	Questions that need to be addressed
Marketability	<ul style="list-style-type: none"><li>• How large is the potential market?</li><li>• How important is the need that the product fills?</li><li>• Can the consumer buy the product easily in a store or from your eCommerce competitors?</li></ul>
Profitability	<ul style="list-style-type: none"><li>• What is the total and yearly profitability estimate?</li><li>• Can the product be sold at 3 to 4 times your product costs? This is important for solo product offers such as those sold through infomercials or solo direct mail, where there are very high advertising costs, etc.</li><li>• Does the product lend itself to repeat business?</li><li>• hat is the ratio of total profit to total investment?</li></ul>
Investment	<ul style="list-style-type: none"><li>• How much investment will the product and promotion require?</li><li>• How many units must be sold before the investment is recouped?</li></ul>
Legal	<ul style="list-style-type: none"><li>• Is the product strictly legal?</li><li>• is the product completely safe?</li><li>• Can there be any legal repercussions through use or misuse of the product?</li></ul>
Mailing/Shipping	<ul style="list-style-type: none"><li>• Can the product be shipped and mailed?</li><li>• Is the product breakable?</li><li>• Can the product be shipped at low costs?</li></ul>
Purchasing	<ul style="list-style-type: none"><li>• Does the product require long lead times to purchase?</li><li>• Can the product be reordered?</li><li>• Will the vendor accept product returns for defective or returned product?</li><li>• Are there high refurbishing costs associated with the product?</li></ul>