

12-1-2006

Pitching to the Home Shopping Network: An Exercise in Opportunity Assessment and Personal Selling

Kimberly A. Eddleston
Northeastern University

John H. Friar
Northeastern University

Edmund Clark
Northeastern University

Follow this and additional works at: <https://scholarship.shu.edu/omj>



Part of the [Organizational Behavior and Theory Commons](#), and the [Organizational Communication Commons](#)

Recommended Citation

Eddleston, Kimberly A.; Friar, John H.; and Clark, Edmund (2006) "Pitching to the Home Shopping Network: An Exercise in Opportunity Assessment and Personal Selling," *Organization Management Journal*: Vol. 3 : Iss. 3 , Article 10.

Available at: <https://scholarship.shu.edu/omj/vol3/iss3/10>

Pitching to the Home Shopping Network: An Exercise in Opportunity Assessment and Personal Selling

[KIMBERLY A. EDDLESTON](#)

Northeastern University

[JOHN H. FRIAR](#)

Northeastern University

[EDMUND CLARK](#)

Northeastern University

The purpose of this exercise is to help students of entrepreneurship understand opportunity assessment and the personal selling process. After watching a short video about the challenges and opportunities of launching a product on the Home Shopping Network (video is optional), students are asked to identify a unique product that could be successfully sold on the Home Shopping Network (HSN). Students are then required to pitch their product to the class demonstrating how their product suits HSN's requirements, meets customer needs, and can be personally sold effectively to the network's audience. By participating in this exercise students will experience the opportunity assessment process, aspects of marketing strategies, and the importance of personal selling.

Keywords: Experiential exercise, Opportunity assessment, Personal selling, Entrepreneurship, Creativity

An axiom in entrepreneurship is “if you’re an entrepreneur, you’re in sales” (Lesonsky, 2001, p. 596). Entrepreneurs need to persuade or sell people on several fronts. To get people to go along with them in creating a company, entrepreneurs have only the value of their ideas, as they often have little or no money. They must be able to sell their ideas to potential partners, investors, and employees. Entrepreneurs also need to be able to sell their capabilities to banks, landlords, and professional service providers, such as lawyers and accountants, to get loans, space, and services. Finally, and most importantly, entrepreneurs need to be able to convince potential customers to buy their products or services. Good entrepreneurs, then, are always selling.

By selling we mean the ability to persuade or to convince someone to take an action. The goal of any sale is satisfaction—both the customer and the seller are satisfied with the exchange. Contrary to some stereotypes, sales people cannot make people do something they would not ordinarily do (Wynne, 1987). Rather, good selling is the explanation of the benefits of an action to the buyer. To be a good sales person, a person must be able to empathize with the customer and understand what motivates the customer (Berkowitz, Kerin, Hartley, & Rudelius, 2000). Through understanding a customer's motivation, sales people can create a customer-focused value proposition and target potential customers to increase the likelihood of a sale. This ability to understand the customer is derived from a market opportunity assessment, a required analysis for any entrepreneur (Allen, 2003).

For several decades, research has focused on the personality traits of good sales people. Contrary to expectations, factors such as forcefulness, sociability, age, education, and intelligence were not found to be consistent predictors of high sales (Berkowitz et al., 2000). The upshot of this research is that there does not appear to be any consistent personality traits that lead to better selling. Instead, anyone can be a good sales person; what matters is the effectiveness of the sales presentation. That is, a “good presentation” is more effective in producing sales than a “poor presentation” (Berkowitz et al., 2000; Levitt, 1965). As such, it is important for aspiring entrepreneurs to learn how to create an effective sales presentation.

While this exercise was created specifically for entrepreneurship students, personal selling is also an important skill for managers to possess. Personal selling is a process of communication between a company representative and a prospective buyer. The experienced sales person understands that personal selling creates a two-way line of communication to provide information both from and to the company and customer (Berkowitz et al., 2000). With customer specific information a salesperson can create a uniquely tailored message to address an individual’s distinct desires and needs. Additionally, these two-way lines of communication provide insights for the salesperson to educate the customer and facilitate the purchase decision. The goal of personal selling is to understand what the customer wants, to sell that to him/her, and to create a long-term relationship with the customer resulting in repeat purchases over a lifetime (Berkowitz et al., 2000).

Virtually every occupation that involves customer contact has an element of personal selling (Berkowitz et al., 2000). Indeed, experience in personal selling often serves as a stepping-stone to top management. For example, approximately 20 percent of the CEOs in the 1,000 largest U.S. firms have significant sales and marketing experience in their work history (Berkowitz et al., 2000). Furthermore, the increasing importance of intrapreneurship and the ability to identify business opportunities makes opportunity recognition and assessment skills of vital importance to today’s managers (McGrath & MacMillan, 2000). As such, the learning points of this exercise are important for entrepreneurship and management students alike.

The purpose of this exercise, therefore, is to give students experience in personal selling and the opportunity recognition and assessment process in a safe, friendly environment. The students are required to identify opportunities, analyze their customers’ motivations through an opportunity assessment and then create an effective sales presentation. The learning points of this exercise focus on: learning opportunity recognition and assessment principles, targeting a distribution channel, creating customer-focused value propositions, crafting winning sales presentations, and learning how presentation skills affect the customer experience. This exercise has been used in both undergraduate and graduate entrepreneurship courses. It was designed for a class time of 75-100 minutes. The directions to the exercise are below followed by a presentation of typical classroom experiences and discussions.

The Exercise

To briefly describe *Pitching to the Home Shopping Network*, this exercise requires teams of students to identify a unique product that could be successfully sold on the Home Shopping Network (HSN). Students first watch a short video about the challenges and opportunities of launch-

ing a product on HSN (video is optional). Based on the information revealed in the video and/or discussed during class, teams of students are then asked to research and identify a unique product that could be successfully sold on HSN. The teams must then present their product ideas to the class, demonstrating how their products suit HSN's requirements, meet customer needs, and can be personally sold effectively to the network's audience. In choosing their products, teams must focus on product factors related to price, features and benefits that meet audience needs, the desirability of the product, and how well the benefits of the product can be demonstrated on television. Teams must also consider the personal selling advantages related to the product including entertainment value, ability to create a memorable tag line/slogan, and the appropriateness to which the product can be sold via television. Finally, posing as HSN executives, students evaluate the product pitches of the other class teams according to key factors that cable shopping networks consider when choosing products to launch on their television shows. More specific directions are below.

Advance Preparation

The video entitled, *Striking it Rich or Striking Out* (PO 31218-01), was originally broadcast on ABC's television show, *Primetime*, on December 18, 2003. It can be purchased at abcnews-store.com for institutional use. The video is approximately 20 minutes long. The video, *Striking it Rich or Striking Out*, follows the entrepreneurial dreams of three Home Shopping Network hopefuls. The first entrepreneur has invented a toothbrush cleaning device, the second entrepreneur is an actress who has designed a line of jean clothing, and the third entrepreneur has created a line of European cosmetics. The video provides an overview of the recent popularity of cable shopping networks as well as the potential for incredible success to entrepreneurs whose products are chosen to air on these networks. It describes the process through which entrepreneurs pitch their products to HSN executives, the factors that HSN executives consider when choosing products to sell on HSN, the training that the entrepreneurs receive (and pay for) to help them sell their products to the HSN audience, and the criteria HSN uses to determine if entrepreneurs will be invited back to sell their wares during additional show segments. If an instructor chooses to not purchase this video, most of this background information is readily available on HSN's and QVC's websites. Instead of showing the video, the instructor could discuss past success stories on HSN and QVC, as well as the criteria that these cable shopping networks consider when choosing products to launch on their television shows.

Because students will be required to research product opportunities to pitch to HSN, the video should be shown and the exercise directions discussed several days before the teams will be required to present their products to the class. We generally give our students four to seven days to prepare their sales pitches. In addition, an instructor may choose to present some complementary material to help students perform this exercise. A list of suggested readings is provided in Exhibit 5. This may include information on opportunity recognition and assessment, marketing message development, personal selling techniques, and direct distribution strategies. While we generally give background information on HSN and QVC channels, because the video specifically highlights HSN, the exercise is framed to focus on HSN.

Team Size

This exercise requires teams of three to seven students. Smaller teams, those with less than ten members, tend to be more successful because they encourage cohesion and consensus-building (Chaney & Lyden, 2000). Teams are best for this exercise because they allow students to experiment with different group-based creativity techniques including brainstorming and mind-mapping when searching for product ideas. The team formation also allows students to participate in group decision-making when assessing and choosing their product opportunity. Lastly, this exercise requires students to coordinate their efforts in order to produce a memorable tag-line/slogan and to produce an effective sales pitch to present to HSN executives. As such, by using teams for this exercise students have the opportunity to experience the benefits of using a team for creativity and opportunity assessment purposes, the need to effectively coordinate team members in order to complete the tasks of this exercise, the process of group decision-making, and general concepts of group dynamics.

Approximate Timing

The entire exercise takes approximately two class periods. During the first class period at least 30 minutes is needed to show the video and discuss the directions of the exercise. Additional class time can be used to present complementary materials. For the second class period, approximately ten minutes will be needed per team to set up and present their product opportunities. Additional class time is also desirable, approximately 20-45 minutes, to discuss class evaluations of the product opportunities and to participate in a classroom discussion of key learning principles based on the exercise. Exhibit 1 gives an overview of the exercise.

Activity (Time required)

Explanation of Exercise (10-15 minutes)

Assign students to teams of three to seven members.

The goal of each team is to identify a unique product that could be successfully sold on HSN. The complete directions as distributed to students are included in Exhibit 2. The directions provide background information on the major cable shopping networks and also explain the team's assignment—to identify a product to sell on HSN. For ideas the teams are encouraged to watch a cable shopping network show, search the Internet, identify problems, or walk through the local mall. Teams are asked to focus on finding a product that they find intriguing but that their classmates are probably not aware of. They are also reminded that pricing is extremely important to cable shopping networks. These networks usually want a price between \$15 and \$40. The teams are also advised that they may want to include “extras” so that the price appears to be a “good deal” to the audience.

Once the students understand the basic instructions of the exercise, the students should be instructed that they will be presenting their product opportunities to the rest of the class during the designated class period. Students should be reminded that they will only have six minutes to

pitch their products—a typical time slot allowed to hopeful entrepreneurs pitching to HSN. They should also be advised of the criteria that the rest of the class will be using to evaluate their product opportunity. These criteria are: unit sales potential, clearly defined market segment, desirability of product, entertainment value, problem identified and solved, and memorable tag-line/slogan.

Video Shown (20 minutes)

After the students understand the requirements of the exercise, the video should be shown to the class. It is advised that the exercise directions be given prior to showing the video so that the information on the video and the featured entrepreneurial stories serve as sources of inspiration and examples for the students. Once the video is complete, the instructor can present complementary material, if desired. If an instructor chooses to forgo the video, he or she can present background information that is readily available on cable shopping network websites and in related articles (www.entrepreneur.com is also a good source of information).

Opportunity Recognition (Time varies)

This stage of the exercise is completed outside of class time. Teams should be given four days to a week to identify products that would be of potential interest to cable shopping networks like HSN. The teams should focus on finding a product that they find intriguing but that their classmates are probably not aware of. As advised in the exercise directions (Exhibit 2), students should focus on identifying products that demonstrate well, solve a common problem or make life easier, appeal to a broad audience, have unique features or benefits, are topical or timely, and have entertainment value. Ideas for products can come from sources like cable shopping network shows, the Internet, or the local mall. For example, in the past, students have presented products that they have previously brought back from travels abroad (cell phone attachment, wristwatch phone), discovered on the Internet (absolutely no stick baking sheet, adaptable cell phone re-charger), and found in industrial/business settings (restaurant quality wine preserver/recorder, fresh grind single coffee brewer).

Leaving the product identification process open to teams allows them to be creative in the method selected to identify products while requiring them to come to some type of consensus as to the process to be used. As they look to identify potential products, each team seems to develop a method for uncovering opportunities that best suits their team's strengths and style. The teams brainstorm, look to their environment, solve a problem, or simply copy another product. The identification process is often an exciting and fun period for the students as they uncover a seemingly endless supply of opportunities. As the teams begin to move through the selection process some product ideas are dropped and others rise to the forefront. During this stage, as the weak ideas are dropped, it tends to become more difficult for the teams to reach a consensus and each team's opportunity assessment process often becomes more sophisticated. As they further focus their efforts on choosing their final product they begin to more carefully evaluate, among other things, the target market and their needs, pricing requirements for the product, the direct distribution medium, the marketing message, and their sales presentation. There is a great opportunity here to introduce a checklist for the students to prioritize the selection criteria.

Once the team has chosen a product, they will need to create a six-minute presentation to pitch their product to the class. Most students at first wonder how they will be able to fill six minutes with a sales presentation. However, once they begin developing the structure of the presentation they realize that they must be concise with their message and efficient in the use of their time. They quickly conclude that to get their message out, display the product features and benefits, develop consumer desire, and create a call to action, all while being entertaining, in only six minutes is a tough task. Introducing or reminding students on how to create effective elevator pitches is useful for this stage of the exercise.

Creating their sales presentations is a fun stage of the exercise as the students are typically quite creative and often enjoy pushing the boundaries of advertising and cultural norms. As they move their plan forward they begin to modify the message for the target market and direct sales medium. With key questions regarding the product, target market, the message, and pricing determined, the students begin to focus on the sales presentation.

Product Opportunity Presentations (40 – 50 minutes)

Each team of students will present their product opportunity to the class. The class will be posing as Home Shopping Network executives in charge of choosing one new product to fill the only coveted spot of the last quarter of the year. Teams often choose one to two team members to pitch their product opportunity to the class. PowerPoint slides are typically used by the students to display their products and to highlight key selling points. When students have access to their products (i.e. they already own them or borrow them from their place of work), they often bring them to class to demonstrate how they work. However, physical possession of the product is not necessary or required. When determining the amount of time needed for this phase of the exercise, figure six minutes per team plus one to two additional minutes for set up and to allow the class to fill in their assessment forms.

Presentation Assessment (15 minutes)

The final phase of the exercise is for the students to act as the HSN executives and select the winning product and team to receive the coveted air time. This “passive” participation requires students to evaluate the other opportunities and presentations and gives them additional reference points for evaluation of their own efforts. This is an important part of the exercise as it provides a tremendous opportunity for the students to see other ideas and presentations. Including students in the exercise as the HSN executives requires them to further develop their skills of opportunity evaluation and to express why they believe some opportunities and presentations are better than others. To aid in the assessment process, a handout including directions and evaluation criteria should be distributed to the class (see Exhibit 3).

Because students will be evaluating each team’s product opportunity, a friendly competition can be created, if desired. Competition tends to heighten the students’ involvement in the exercise (Marcic, Seltzer, & Vaill, 2001). After all presentations are completed and the students have individually evaluated each opportunity, the students can reform their teams to debate and discuss the strengths and weaknesses of each product opportunity. Each team is then asked to choose the one “best” product opportunity and to explain why they felt that product would be the most suc-

cessful on HSN. This helps to ensure that the judges thoroughly discuss their evaluation criteria and reasoning when choosing the “best” product to fill the last available spot on HSN. If desired, the team with the most votes for “best” product can win a prize such as some candy or an academic award (2 bonus points on a quiz). The instructor may need to advise the teams that a product other than their own should be chosen as the “best.” Once all of the presentations are complete and the product opportunities assessed, class discussion can take place for the remainder of the class period (see Exhibit 4 for a list of discussion questions).

Discussion

The *Pitching to the Home Shopping Network* exercise is best used after having discussed these topics: the opportunity assessment process, aspects of distribution strategies, personal selling, and presentation skills. This exercise is effective in reinforcing and making real these topics to entrepreneurship students. By conducting this exercise after the students have had the opportunity to discuss the techniques and strategies that they have learned they can consciously consider them while they create their product offering sales strategy. The results from the exercise often give clear examples of the differences among the opportunity assessment options and examples of marketing and sales strategies. Other entrepreneurship and management topics that this exercise effectively supports include discussing product life cycles, how to turn creative ideas into innovations—the creative process, how to grow a business by reaching new markets, types of product development projects (i.e. derivatives, platform, breakthrough), how to create a total product offering, and image compatibility in developing an effective advertising campaign.

Once the exercise is complete, classroom discussion can take place. A good way to facilitate the discussion is to first have each team answer the questions that will later be discussed as a class. Having students first discuss the answers to questions before opening up the discussion to the entire class tends to increase student involvement, especially in a large class where students may seem reluctant to talk (Marcic, Seltzer & Vaill, 2001). Questions used for discussion with this case can be found in Exhibit 4. Questions typically asked and areas of discussion and lecture that follow are presented below.

1. What was the process that your group went through to select your final product? As you dropped product ideas, did it become more difficult to choose between the remaining competing products?

Students often find that idea generation can either flow quickly or be extremely difficult. For those that find idea generation a challenging task, identifying techniques such as brainstorming, morphing, or product modification helps them to realize that idea generation does not need to be a difficult task and it can often be rewarding. Once they understand just how fast ideas can be generated, it is a prime time to stress the concepts of opportunity costs, risk and reward, limited resources, and the importance of pursuing opportunities that have higher values than others. Even when given a process to follow, students often select one of the first product opportunities that they develop regardless of its value. A key concept for students to understand here is that ideas can be generated fairly easily and quickly and that the real task is to separate the bad and the good ideas from the great. While it may be easy to develop ideas, it is not easy to develop great

ideas, and students need to appreciate that not all ideas are opportunities and not all opportunities are worth pursuing. Another important lesson to discuss here is that when evaluating an opportunity it is best if a standardized process is used, and that opportunities are rated and compared with a set of consistent criteria for selection. Discussing the opportunity recognition process helps to identify what real opportunities look like and what factors when not analyzed will contribute to product failures.

2. Can you think of changes to the selection process that you would implement in the future?

Having heard what other groups used for a selection process, this is a great follow up question. Probing into their process and why they chose what they did helps students to formulate what worked well in their process and what others did that was particularly effective. Discussing this in an open setting allows students to hear from classmates how they would alter their methods and it helps them to realize that opportunity assessment is a fluid process that changes to meet the needs of the situation, and that it should not be a rigid process that stifles creativity. The students should also come to the conclusion that having a selection process will in all likelihood increase their chances of success, and that a more rigorous process should result in a better overall selection.

3. Did you adapt your marketing message for the target market and this direct sales medium?

An important concept for students to grasp is that the message must be tailored for the market, and that the marketing channel influences both the target market and the message. Most students do not yet appreciate direct television sales networks. They typically say that they do not watch the shows or buy anything from them, however they often believe that they understand who the target market is that watches the networks. This is an important component of this exercise because while the students typically feel that they are not included in the home shopping target market, to perform the exercise they must develop a message for a target market that they do not know or relate to. Once they understand the retail sales volumes that these shows produce, they gain a new respect for the importance of this medium and often express an eagerness to capitalize on its market.

When asked about their sales message, students often speak directly as to how it was developed for the audience and how it will influence the market. Students also appreciate the visual and verbal nature of the medium and work to utilize those advantages to their fullest potential. Many often work to take a casual and friendly approach to develop a sense of confidence and trust among the audience. At this point it is a great time to discuss types of messages that can be developed including those that are designed to create Attention, Interest, Desire and Action (AIDA) (Tulenik, 1999). Most of the teams will include elements of AIDA, and when the presentations are analyzed it should be fairly evident that the more effective presentations included these principles.

4. If your product was selling in a retail store, how would your target customer and message be different?

This question is a follow up to the preceding question to further highlight the necessity to develop a targeted message based on the customer segment and the distribution medium selected and to stress the advantages and power of a live sales presentation. Students discuss the importance of packaging for the retail market and the difficulty of including direct selling techniques through distributed retail products. They also often point out that retail channel customers will be more diffused and that creating a focused sales message therefore will be more difficult. They appreciate the value of the Home Shopping Network as a direct sales medium and for its ability to allow them to communicate to the audience in a more natural way than other distribution channels provide. They understand that the HSN distribution channel gives them great flexibility in developing their message and that when using less direct channels many factors will need to be adjusted in their marketing mix such as pricing, packaging, promotional tactics, and the message.

5. What influence did the entertainment value of the presentation play in your decision to air the spot? Why?

Students put a great deal of energy into their presentations and generally want them to be enjoyable for the audience. They try hard to be entertaining and work to engage the audience members as much as possible. Generally, the presentations that are judged to be the best are the ones that engage the audience and create an overall feeling of excitement. When probed further about what made certain presentations “better,” students get beyond the entertainment value of the presentations and identify the most effective presentations as those that also have substance. They identify the presentations that addressed a need and made a compelling case to purchase the product. Students clearly come to understand that entertainment will get their customers’ attention but that the product must create value for it to warrant action in the form of a purchase.

6. What were the most effective “personal selling” techniques used?

This is a great question to further dissect the sales presentations and isolate effective and ineffective sales techniques. Students will point out a variety of techniques used that developed interest, or generated desire, or created a call for action. Some of the techniques are well done, subtle, and effective while others are blatant hard sell sales pitches. The students realize that form and substance are closely linked and both depend on each other to be effective. A good sales technique done without style is as ineffective as an entertaining performance done without a purpose. The students identify techniques that when used in an appropriate fashion, become effective. They also identify techniques that when not used well become ineffective or even worse, offensive. This part of the discussion is an appropriate time to discuss the importance of effective sales techniques and how selling differs from marketing.

7. What suggestions can you make to improve the sales presentations of the other products?

Another way to ask this question is *what would you do to improve your sales presentations?* This is an important question as it pushes the students to take the best techniques

and integrate them to create an even more effective presentation. Performing a post mortem on presentations and reconstructing them with improvements helps to further refine their skills and compare and contrast techniques used. Many sales training programs emphasize the importance of preparing well developed sales presentations and include a section on analyzing your performance to rework and hone both the presentation and presentation skills.

Conclusions

This exercise offers students the opportunity to refine opportunity recognition and assessment skills, develop marketing strategies, and improve personal selling and presentation skills. This exercise allows students to select a product, create a marketing message, develop a presentation, and sell their products to a live audience. Students have the opportunity to be creative and expressive while learning to present under a structured format. This exercise also helps students to realize how important selling is for the overall success of a business and how the sales process can be a very exciting component of the marketing mix. In sum, this exercise introduces students to the following learning experiences:

1. The importance of opportunity recognition and assessment principles
2. How the selection of a distribution channel affects marketing mix strategies
3. The importance of developing an exciting marketing message with a customer focused value proposition
4. The advantages of crafting a winning sales presentation
5. How presentation skills affect the customer experience

REFERENCES

- Allen, K.R. (2003). *Launching New Ventures: An Entrepreneurial Approach*. Boston, MA: Houghton Mifflin.
- Berkowitz, E., Kerin, R., Hartley, S., & Rudelius, W. (2000). *Marketing (6th ed.)*. New York: Irwin McGraw Hill.
- Chaney, L., & Lyden, J. (2000, January). Making U.S. teams work. *Supervision*, pp. 6.
- Lesonsky, R. (2001). *Start Your Own Business: The Only Start-up Book You'll Ever Need*. Canada: Entrepreneur Press.
- Levitt, T. (1965). *Industrial purchasing behavior: A study of communication effects*. Boston: Harvard University.
- Marcic, D., Seltzer, J., & Vaill, P. (2001). *Organizational Behavior: Experiences & Cases (6th ed.), Instructor's Manual*. Cincinnati, OH: South-Western.
- McGrath, R.G., & MacMillan, I. (2000). *The Entrepreneurial Mindset: Strategies for Continuously Creating Opportunity in an Age of Uncertainty*. Boston, MA: Harvard Business School Press.
- Tulenk, P. (1999). A formula to get you more business. *The Daily Camera*. Retrieved June 1, 2006, from <http://www.bouldernews.com/business/bp18smal.html>
- Wynne, M. (1987). *Sci-tech Selling: Selling Scientific and Technical Products and Services*. Englewood Cliffs, NJ: Prentice Hall.

EXHIBIT 1: Overview of Exercise

<u>Activity</u>	<u>Time Required</u>
Class 1:	
Explain exercise	10-15 minutes
Show video	20 minutes
Teams discuss product opportunities and ideas	Remainder of class
Class 2:	
Product Opportunity Presentations Each team presents for 6-8 minutes	40-50 minutes
Opportunity Assessment Students rate each presentation	10 minutes
Teams choose a winning product	5 minutes
Class discussion	Remainder of class

EXHIBIT 2: Pitching to the Home Shopping Network: An Exercise in Opportunity Assessment & Personal Selling

Home Shopping Network, Shop At Home, QVC, and Value Vision are 24-hour cable TV shows selling products and inventions, and lots of them. It's not unheard of for an item to sell several thousand units in just a few minutes.

QVC, Inc. has revenues of over \$112 million. It is the number one televised shopping service in sales, profits, and reputation in the United States, reaching over 80 percent of all U.S. cable homes and 3 million satellite dishes. In 2003, more than 120 million units were shipped to customers around the world as a result of approximately 180 million phone calls, leading to more than \$4.8 billion in sales. QVC is the world's preeminent electronic retailer.

QVC airs products once every 40 days and expects a minimum of \$2,500 in sales per minute, and requires a 45 percent to 55 percent discount off the proposed price for the network.

Home Shopping Network airs products once a week as long as they sell and requires a 45 percent to 60 percent discount off the proposed price for the network.

As a result, many companies have made millions selling their products on TV shopping networks. So the question is, how do you get to be one of those companies?

Consider the case of Tim Wilson. Wilson started inventing consumer products about seven years ago. In the past five years, he has introduced three new products through TV shopping networks. Wilson's first product, the Drain Blaster, uses a high-speed, rotating nozzle to pressurize tap water into a high velocity water stream. His second product, the Pro-Jet 2000, converts ordinary garden hose pressure into a high velocity water flow. Wilson's third product, the Aqua Helix Shower Nozzle, saves water by accelerating water flow through a showerhead. His company, Jet Blast Corp., has annual sales of approximately \$4.5 million.

Directions: For your assignment, identify a product to sell on the Home Shopping Network. For ideas, watch a cable shopping network show, search the Internet, identify problems, or walk through the local mall. Your focus should be on finding a product that you find intriguing but that your classmates are probably not aware of. For your product, pricing is extremely important to TV shopping networks. They usually want a price between \$15 and \$40; the product should also include "extras" so the price looks like a good deal. Wilson, for example, packages three versions of his Drain Buster together for \$19.95.

Factors cable shopping networks consider for new products sales:

- Demonstrates well
- Solves a common problem or makes life easier
- Appeals to a broad audience
- Has unique features or benefits
- Is topical or timely
- Has entertainment value

Pitching your product: Your team has six minutes to present your product to HSN executives (i.e. the class). If desired, you can choose one or two team members to be responsible for your product opportunity presentation. In other words, not all team members need to present during your product opportunity pitch.

After your team pitches its product opportunity to the HSN executives, the executives will assess your product based on the following criteria: unit sales potential, clearly defined market segment, desirability of product, entertainment value, problem identified and solved, and memorable tag-line/slogan. Keep these in mind when choosing your product opportunity and when creating your sales pitch for the HSN executives.

EXHIBIT 3:
Pitching to the Home Shopping Network:
An Exercise in Opportunity Assessment & Personal Selling
Opportunity Assessment Evaluation Form

Directions: You are an executive at the Home Shopping Network (HSN) and responsible for reviewing booking and scheduling the hundreds of commercial segments on the channel. You have one spot available for the last quarter of the year that you must fill with a new product. In order to decide which product will receive the coveted spot you must review and rank each presentation based on the following criteria. Your year end bonus is determined by the overall sales (in quantity) developed from your selection of new products.

Rate each product opportunity below from lowest (1) to highest (8).

Opportunity	1	2	3	4	5	6	7	8
Unit sales potential								
Clearly defined segment								
Desirability of product								
Entertainment value								
Problem identified & solved								
Memorable tag-line/slogan								
Total:								

Prior to awarding the spot you must meet with your executive board to determine the winning product. Classify the products using the above criteria and explain how your group decision was made.

EXHIBIT 4:
Questions for Discussion

1. What was the process that your team went through to select your final product? As you dropped product ideas, did it become more difficult to choose between the remaining competing products?
2. Can you think of changes to the selection process that you would implement in the future?
3. Did you adapt your marketing message for the target market and this direct sales medium?
4. If your product was selling in a retail store, how would your target customer and message be different?
5. What influence did the entertainment value of the presentation play in your decision to air the spot? Why?
6. What were the most effective “personal selling” techniques used?
7. What suggestions can you make to improve the sales presentations of the other products?

EXHIBIT 5: Suggested Readings

- Baron, R.A. (2006). Opportunity recognition as pattern recognition: How entrepreneurs “Connect the Dots” to identify new business opportunities. *Academy of Management Perspectives*, 20, 104-119.
- Bursk, E.C. (2006). Low pressure selling. *Harvard Business Review*, 84, 150-162.
- Grebb, M. (2005). Cable’s shopping frenzy. *Multichannel News*, 26, 35-36.
- Hershey, L. (2005). The role of sales presentations in developing customer relationships. *Services Marketing Quarterly*, 26, 41-54.
- Hulbert, B., Brown, R.B., & Adams, S. (1997). Towards an understanding of “Opportunity.” *Marketing Education Review*, 7, 67-73.
- Quelch, J., & Kenny, D. (1994). Extend profits, not product lines. *Harvard Business Review*, 72, 153-160.

Kimberly Eddleston is an Assistant Professor at Northeastern University, where she holds the Riesman Research Professorship and the Tarica-Edwards Research Fellowship. She was recently selected as a Family Owned Business Institute Research Scholar. Her research has appeared in leading journals including the *Academy of Management Journal*, *Academy of Management Executive*, *Academy of Management Perspectives*, *Journal of Occupational and Organizational Psychology*, *Entrepreneurship Theory and Practice*, *Journal of Business Venturing*, and *Journal of Applied Psychology*. Email: K.eddleston@neu.edu

John Friar, Executive Professor of Entrepreneurship, has researched and written on the subjects of marketing strategy, management of innovation, and technology strategy, with emphasis on radical innovations and start-up companies. Professor Friar has been involved in the start-up of several companies and currently serves on the board of several others. He holds a Ph.D. from MIT's Sloan School of Management, and MBA and AB degrees from Harvard University. Email: j.friar@neu.edu

Ted Clark is the Executive Director of the Northeastern University Center for Family Business. He received his MBA from Clark University, in Worcester, and holds an undergraduate degree from the University of Southern Maine. He teaches Entrepreneurship and has taught in the College's School of Technological Entrepreneurship, Coop MBA program, and High-Tech MBA program, and also at Clark University's Graduate School of Management and Fisher College.