

# ***Business Issues***

# Reality

1. I \_\_\_ A \_\_\_ M \_\_\_

## 2. Niche

- Front-end will only be profitable for a period of time, then should continue as long as break even
- Back-end will eventually be the business

# Economic Considerations

- **Cost of Lead**
- **Cost of Order (need to know maximum you can spend)**
- **Refund Rate**
- **Average Back-End Value**

# **Equity In The Information** **Marketing Business**

- **Customer List**
- **Renewable Income**
- **Reliable Marketing System**
- **Intellectual Property (i.e. Products)**
- **A Brand**

# Joint Ventures

- **Need To Give STRONG consideration to whom you expose your customers to (If you are offering a JV to your list)**
- **Get the deal in writing**
- **You should provide all the marketing materials**
- **Must have tested marketing materials that convert**
- **Pay or receive high commissions (typically around 50%)**
- **See who else is selling to people who could buy your product(s)**

# ***Selling Other Peoples' Products***

- **When you build a big enough customer list you will need to sell other peoples' products just to satisfy their appetite (A buyer is a buyer is a buyer)**
- **Biggest drawback is margin**
- **Need to be careful who you expose your customers to**

# Minimizing Refunds

- **Speed of delivery**
- **Immediate gratification when receive the info.**
- **Immediate ‘action’ to take when receiving the info.**
- **Bulk**
- **Membership**
- **Address... “It’s not for me because” syndrome**
- **Resell when receive the product (congratulations letter, fast-start tape)**
- **Immediate up-sell**
- **Intimidation (testimonials)**
- **Guilt (unexpected gifts, bonuses, etc.)**
- **Loss of future benefits**
- **Ugly typically has a lower refund rate**
- **Provide a lot of strategies to do what it is the product does**
- **Difficulty to refund (don’t do this a dumb way)**
  - **Packaging that is difficult to return**
  - **Deliver in multiple pieces**
  - **Make them call**

# Chief Ways To Lose Money

- **Not paying attention to costs (cost is always more than what you think)**
- **Poor monitoring of vendors (competitive bids)**
- **Over-spending on packaging**
- **Neglecting the core business**
- **Not testing**
- **High refund rate**
- **Unrealistic expectations**
- **Improper funding**
- **Thinking that a superior product gives you a competitive advantage (it's in the marketing)**
- **Abuse your toll position with your customers**
- **INTERNAL THEFT**



# Ways To Generate More \$\$\$

- Test higher price
- Improve % from basic to better to best
- Add a higher level
- Immediate phone up-sell
- Add another product option to order form
- More steps in the marketing funnel
- Sell leads to someone else
- Money from others (i.e. sponsors, vendors)
- Add outbound telemarketing
- Go back to old leads
- Joint Ventures
- License your stuff
- Update and recycle old stuff
- Compete with yourself

# Issues

- Merchant Account(s)
- Regulatory
- Software
- Knockoffs
- eBay

# Most Commonly Made Mistakes

- 1. Putting Product First**
- 2. Becoming Obsessed With The Product**
- 3. Insufficient Research**
- 4. Copying Something That Is Not Working Or Is Not Profitable**
- 5. Bad Economics (Need Forgiving Economics)**
- 6. Bad Projections**
- 7. Being a Pioneer (S & D What Already Works)**
- 8. Sell To A Market That You Do Not Understand**
- 9. Not Realizing That Good Is Good Enough**

# How To Create Equity As A Result Of The Information Marketing Business

**#1: Database Equity**

**#2: Intellectual Equity**

**#3: Passive Income**

**WithOUT These You Are  
Swapping Hours For  
Dollars**