

## Chapter 1

# Introduction To Information Marketing

*by Robert Skrob, President  
Information Marketing Association  
Info-Marketing.org*

**T**here have never been greater, more diverse, more lucrative opportunities for everyone—from very experienced, successful entrepreneurs to rank beginners—in the field of information marketing. As the president of the Information Marketing Association, I thought I'd begin with defining information marketing, a bit of personal background, and a quick preview of what you can expect in the rest of this book.

Information marketing is responsive to and fueled by the ever-increasing pressure on people's time. Businesspeople and consumers alike need information provided to them in convenient forms, and in some cases, need an extension of it; methods and strategies that might merely have been taught to them 10 years ago are now done for them. The information industry encompasses products such as traditional books, audio programs, videos, or DVDs that you might buy in a store, from a catalog, or online; magazines; newsletters; e-books; membership websites; teleseminars and webinars; telecoaching programs; and seminars and conferences—and combinations thereof. The possible topics are almost endless. People are buying information on every imaginable topic, from better sex, to teaching parrots to talk, to gardening, to investing in real estate foreclosures, to running businesses. Information marketing, then, is about identifying a responsive market with high interest in a particular group of topics and expertise, packaging information products and services matching that interest (written and/or assembled by you, by others, or by both), and devising ways to sell and deliver it. If you can name it, somebody is packaging and profitably selling information about it.

It'll be instructive to give you a random list of topics and markets these businesses cover, and then some more detailed examples. The random list of subjects: yoga for golfers, investing in tax lien certificates, extreme fitness, persuasive voice skills for business, how to get women to approach you, how to make money on eBay, how to learn gunsmithing at home as a hobby or a business. Business niches include: marketing systems, management, or finance information for restaurant owners, dentists, chiropractors, auto repair shop owners, real estate agents, insurance agents, menswear retailers, jewelry store owners, pest control operators, or even professional magicians.

As an example from a business niche, consider IMA member Rory Fatt, who owns Restaurant Marketing Systems. Rory has more than 100 restaurant owners each paying \$10,000 yearly to be in his top-level coaching program; nearly 4,000 buying and using his advertising, marketing, and business kits—information products ranging in price from a few hundred to a few thousand dollars—and subscribing to his newsletter; and nearly 500 attend his annual multiday conference. He also provides prefab websites, a loyalty points program (like a frequent flyer program), new mover mailings done for them, and other products and services. These products are sold using print ads in trade journals, direct mail, websites and e-mail, and teleseminars. It is a multimillion-dollar a year business built from scratch in about five years. Rory has only two employees, and he works from home most of the time, takes a lot of time off to be with his family, and goes on at least two extended vacations a year. And maybe what's most significant is this: Rory has never owned, operated, or managed a restaurant.

Quickly, a few other examples from the IMA's membership: Gene Kelly made more than \$1 million this year selling gunsmithing and related home-study courses to hobbyists. Scott Tucker (see Chapter 11), who only 18 months after creating his information businesses from scratch, is bringing in as much as \$2 million a year, while still working full time as a mortgage broker. Ron and Jill Wolforth have a similar income selling information on baseball hitting to parents of Little League players. I could go on and on and on.

In the last 30 years, information marketing has gone from mail order to the much bigger, broader, and hugely profitable arena of opportunities it is today. People now routinely go from zero to \$10,000 to even \$100,000 a month and more, in just a matter of months.

Information marketers do not have any special talent, secret knowledge, or remarkable skill. Everything you need to get started is between the covers of the book you are holding right now.

I got started in information marketing because I was tired of working harder as a consultant and continuing to fall behind. During the summer of 2001, I completely changed my consulting business. I reduced the number of clients I served by one-third, reduced the number of employees from 20 to two, and over the next year, I tripled my fees. Also, I charged any client with a Saturday work meeting an extra \$6,000 (and some even paid the fee to have me attend).

In the beginning of 2004, I realized I had not accomplished enough. I was making more money than ever. Every week, I was banking money for savings and charitable giving. I was working about 30 to 35 hours a week and spending the rest of the time on hobbies or with my family. However, I realized I was topped out. There was no way I could double my income without taking on a lot more work or employees.

In a consulting business, people pay you for your services. To double the amount of income, you have to double your fees or double the amount of services you provide. When you've maxed out your fees, your only choice is to work more hours or to hire employees to work those hours. Either way, you increase your headaches.

For many years, I had watched the world of information marketers. There were people who created an audio program with six cassette tapes and a manual. They could create that program once and sell it many times for years. All they had to do was advertise their product, and new orders came in.

What's better, they could set up systems, so products got shipped by a vendor. They could be making sales, with money deposited directly into their checking accounts, and they could be anywhere in the world on vacation. This was something I had to investigate.

I began creating products. At first, some manuals and an audio program. Over time, I created more complicated products, and I have created dozens of products on a joint venture basis with other info-marketers. They have the reputation, and I use my marketing/product creation knowledge to help get the business started.

Now, I make money from products I created four years ago. Yes, in 2004, I had to sit in front of a computer and a microphone and create something. I spent 31 hours over three weekends to create a manual on selling sponsorships. However, three years later, I still get money from that weekend of work I did three years ago. Can you imagine a job where you work really hard for a month, and then people pay you extra money for years?

In the information marketing business, you do the work once and then get paid many times because your marketing systems generate sales. The best part is, each time I create a new product revenue stream, that stream gets added to the streams I have already created. I begin each year with assets that will generate sales whether I work a day or not. Then, any profit I generate from work I do is stacked on top of what comes in without work.

In 2006, a group of info-marketers and I were talking. While there is a lot of info-marketing knowledge out there, it's in too many places. They suggested that I work with Dan Kennedy and Bill Glazer to create the Information Marketing Association. The association could serve as a central repository for industry knowledge.

The core mission of the Information Marketing Association is to make it easy to start and operate information marketing businesses. An important part of that mission is to separate the promises from the reality.

In this book, you'll learn from many successful Information Marketing Association members. They will teach you the strategies they used to create successful businesses for themselves. Study their techniques; they work. Plus, they will be valuable in your marketing efforts, even if you never create a full-scale info-business.

Within information marketing, your raw material is knowledge. Personally, I read about 26 books a year and more than 40 magazines a month. The reason? Reading is the way I stay ahead, the way I stay in touch with what's going on, the way I excel. I've seen patterns in another industry, so I can teach others what they need to know to become successful.

If I had to give you the single most important info-marketing strategy, it would be to *invest in your personal education through observations, reading, and testing.*

Before I explain *how* to create your own information marketing business, let's talk about *why* you'd want to build one of these unique moneymakers.

There are six advantages of an information marketing business:

- 1. Replaces manual labor by “multiplying yourself” and leveraging what you know.**
- 2. Buyers of your information products will buy more.**
- 3. Little or no interaction with buyers is possible.**
- 4. Few staff members are required.**
- 5. Only a small investment is needed to get started.**
- 6. Large profit potential exists.**

So, let's talk about these advantages.

### **1. Replaces Manual Labor By “Multiplying Yourself” And Leveraging What You Know**

How does the information marketing business replace manual labor by “multiplying yourself” and leveraging what you know? (*Leveraging* is just a one-word way to say “makes what you know do the work for you.”)

Whether you're working for someone else or you're a professional selling your services by the hour or by the job, you are being paid for what you produce. The moment you stop producing, you stop getting paid. This is true for everyone, even for professionals such as attorneys, doctors, CPAs, and businesspeople who have large incomes. Trying to multiply yourself by hiring employees to increase the amount of product you can sell is full of hassles. You have the employee who leaves and takes clients with him. You have training issues. You have liability issues, even if the employee does a good job. There are hundreds of ways an employee can get the business owner into trouble. The work and the aggravation never end.

With an information marketing business, you create a product once, and you're done. It takes a lot of work to create the product, but you can sell it many times, often over a period of several years, without having to do any additional work. Creating an information marketing business is a terrific way to multiply yourself. Few other businesses allow you to duplicate yourself in this way. With an information marketing business, you take information you already know and create a product.

You might think you have to be a genius and invent a newfangled device or identify a trend before it happens. You might worry that if you create a product, you won't know how to protect it through the trademark and patent process. You might not have any idea how to find a manufacturing and distribution company to put your product on the market.

With an information marketing business, everything you need to create a new product is already inside *you*. You don't need dozens of experts. You don't need newfangled distribution methods. An information marketing business allows you to take the information, the secrets, the techniques, *the things that you already know*, and leverage them. That's the easy way to "multiply yourself."

You may have a hobby and find yourself answering other peoples' questions about what you do in online chat rooms on Google or Yahoo!. If that's true, you can be sure there are plenty of people who have not discovered those online discussion groups. You can package what you know into an information product and make money with your own information marketing business.

Or you may have developed great ways to perform services in a particular business. You can leverage that knowledge by creating a product to show others how to do what you do. By creating your product one time, you provide that business solution over and over again instead of performing the service yourself each time. That's how you multiply yourself and leverage what you know!

## **2. Buyers Of Your Information Products Will Buy More**

People ask me, "I'm already a consultant. If I create an information product that explains my entire process, won't people just do it themselves and stop hiring me to do work for them?" Absolutely not.

People who buy your information products are much more likely to hire you to perform services than any other customer you market to. Quite simply, having your own published information product makes you the obvious expert. It shows the customer the complexity of the services and the special ability you have to perform them. The only possible conclusion for the buyer is that he should hire you when he needs additional help with his business or hobby. Publishing your own information product will only increase the services you're currently providing and expand your business far beyond what you're doing now.

In addition, the people who buy your information product will buy other information products from you, whether they are products you create yourself or products you license from others. You can also partner with other information marketers to sell your products or pay them to create products for you. Once you find a customer who wants information about a particular subject, that customer will continue to buy information from you on that subject.

Encouraging repeat business helps you further leverage yourself. You spend a certain amount up front to identify potential customers and to sell them your information product. That first product can then be used to sell them other information products. Once you've gotten a customer, you're going to be able to sell that customer many things in the future, for as long as you continue to provide high-quality information at a good price.

### **3. Little Or No Interaction With Buyers Is Possible**

One of the best things about the information marketing business is that very few customers will insist on coming to your business location to buy your products. This means you can work at home with your computer in a closet or build your information product on your kitchen table. You don't have to worry about customers showing up at your door to buy your new book. You can create products and sell them online from your beach home or as you vacation across the world. As long as you've got a way to create a product, you don't have to be in any particular location for people to buy it.

Not only is this exceptionally convenient, but it also helps you get into this business with very little overhead expense.

### **4. Few Staff Members Are Required**

The information marketing business is a terrific business because you don't need a lot of people to run it. Many info-marketers have no employees, and instead pay an independent contractor to help maintain the customer database, ship products, and handle customers' questions. This is known as *outsourcing*. You can literally operate a business that makes well over \$1 million a year with very little staff and very little operating overhead.

### **5. Only A Small Investment Is Needed To Get Started**

The information marketing business does not require a lot of equipment. It doesn't require fancy offices, furniture, or multiple computers. It doesn't require special licenses (in most cases). And it doesn't require special education or degrees. You just need to leverage the information you already know. How? By 1) identifying a market of people who are excited about the information you have; 2) creating a product those people want; and 3) offering it to them in a persuasive way.

That's why you can get into the information marketing business with a relatively low startup budget. One word of caution: Many info-marketers do not invest enough in their marketing and end up with a very slow start. Investing a little money in marketing up front will increase revenue more quickly. You can take a stair-step approach by investing a small amount in your first campaign

and reinvesting your sales revenues into the next campaign. You can increase your marketing investments as you continue to have success in selling your product. That way, you can start with a very modest investment, but by continuing to reinvest profits into making new sales and getting new customers, you can build your business.

Just remember, you don't have to go to school for 12 years, you don't have to pass any exams, you don't have to buy special equipment, and you don't have to have huge facilities. But you must be willing to put *some* money on the table to find potential customers and to market your product to them. If you try to do this business without any investment at all, you're certain to fail.

Even the smallest franchise has an initial investment of \$10,000 to \$15,000, and there are continuing fees. You should not be fooled into thinking you can start an information marketing business with no investment. Some think the moment they create a product and put a sales page on a website that people are going to suddenly flood that site and buy their products. That is a myth. Don't believe it.

But don't be discouraged! This is a very easy business. This is a business with a lot of profitability, but you will not create a business that generates more than \$1 million a year by investing nothing. You must be willing to test a marketing strategy to find new customers (known in the business as a *front-end marketing funnel*) and test it until it produces positive results. When you get positive results, you must invest in expanding that marketing campaign and growing your customer base.

## **6. Large Profit Potential Exists**

Many info-marketers are making million-dollar incomes through their information marketing businesses. One day, without any products, without any customers, they went out and gave it a shot. They researched potential customers, they found out what those customers wanted the most, they offered it to them in a compelling way, and then they continued to sell their products until they were making a lot of money. Some info-marketers have \$50 million to \$100 million businesses. Some info-marketers are making in the high single-digit millions and have five to 10 staff members. Other info-marketers are making a half-million dollars with one or two staff people. This is a business that is completely scalable, that is, you can make it as small or as large as you want.

But don't think an information business doesn't require work. It does. You will have to work hard, just like any other entrepreneur does. Just like you see entrepreneurs working hard in the mall, in a retail store, or in a new restaurant they've created, you should plan on working hard on your information marketing business. The good news is, if you build an information marketing business and put in the

necessary work, you can eventually replace your manual labor by multiplying yourself and leveraging what you know to create new products. Your customers are going to buy more from you in the future. You can run your business with little interaction with your customers. You can be successful using a very small staff. It takes a small investment, and the payoff can be huge—if you stick with it and continue to develop your business.