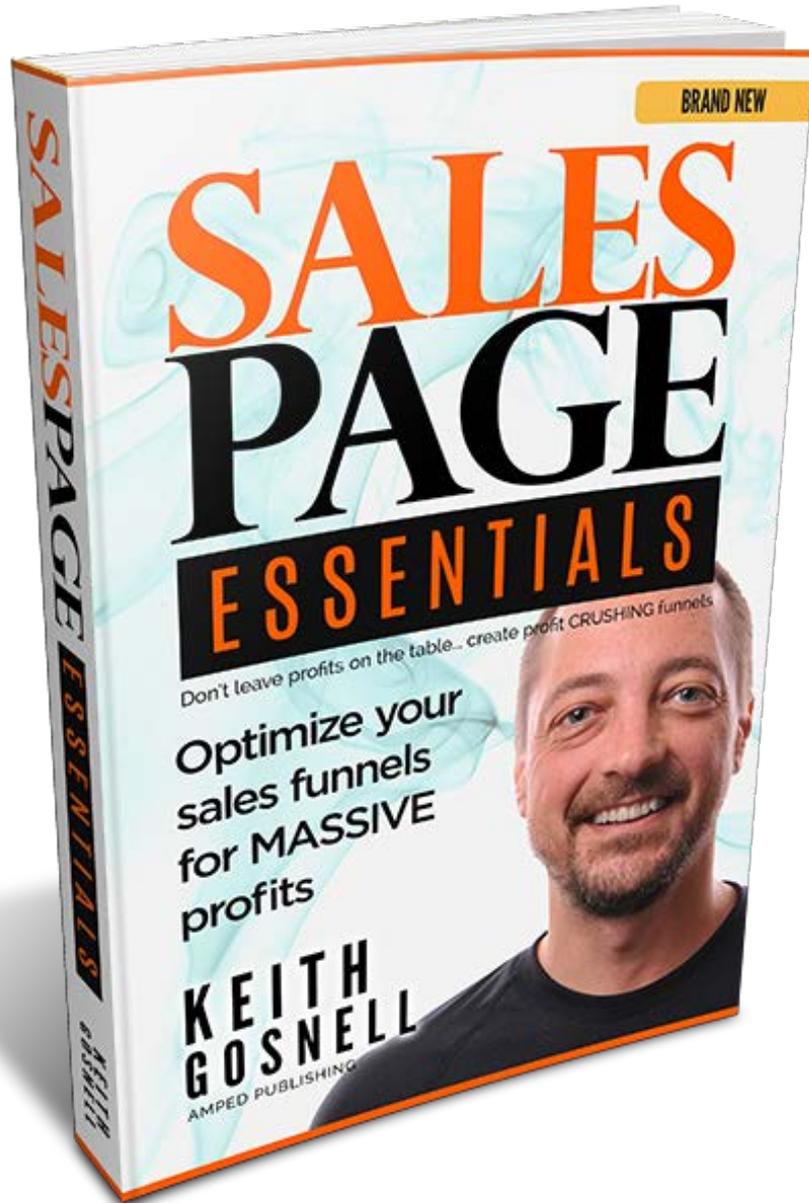


Sales Funnel Essentials



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1

WHAT IS A SALES FUNNEL?

If you've been around internet marketing for any period of time then you will have undoubtedly come across a LOT of sales funnels...

Quite simply, a sales funnel is a series of offers that are presented to the prospect/customer and tend to increase in both price and value.

The idea is that as someone goes through the sales funnel they become more and more engaged and spend more and more money.

A typical sales funnel works like this...

At the 'front-end' is a free product to capture people's interest.

In order to grab the free product people have to sign-up and hand over their email address - and in turn they are added to an email list/database of prospects.

After the person is added to the list, they can then be sent other related offers that they might be interested in.

Immediately after signing up for the free product the prospect will typically be presented with a low priced offer (called an 'upsell' or 'one time offer')

Here they're moving into the 'back-end' of the funnel.

If they buy this low priced offer then they will then be offered another related product at a higher price.

If the person buys the higher product they are then offered another product at an even higher price.

... and so on.

As the price of the products increases, so does the value being offered.

For example, the free and low-priced upsell product might be a short 30-40 page report or eBook...

By the 3rd or 4th upsell they might then be offered a personal coaching program charged at \$497 a month.

The idea is that as people go through the sales funnel they become more and more engaged and spend more and more money.

2

WHY DO I NEED SALES FUNNELS IN MY ONLINE BUSINESS?

If you've ever taken the time to study psychology and consumer behavior, then you know the people who've shown an interest in your product, they are the ones who are most likely to purchase from you again. If you spend the majority of your time and energy marketing to this group of people, then you will get higher conversion rates, because you are making the most of your time and resources, to get the highest possible return on investment.

A SALES FUNNEL WILL INCREASE YOUR SALES REVENUE

When you think about it, it's absolutely crazy not to offer people multiple products to buy.

Let's say you've got a report you're selling for \$20.

If you leave it at that and get 500 sales, then you'll make \$10,000.

A nice result - but don't you think that some of those people would be interested in another related product priced at \$47?

and in turn, don't you think some of those people would be interested in buying another product at \$497?

Of course many of those people WON'T be interested - but a proportion WILL.

So, if you don't have a sales funnel then you're going to miss out on a LOT of sales.

It's really that simple :)

USING A SALES FUNNEL WILL INCREASE YOUR CONVERSION RATE

While you move down the sales funnel, you'll notice the number of people in each phase decreasing, but, more importantly the likelihood that the people who are there will buy your product or service increases.

The nature of the sales funnel filters out the non-perspective buyers while building up the number of targeted prospects. As the funnel narrows, the end result becomes more targeted. As such, you can create a fertile environment with highly targeted customers, where you can focus your marketing efforts. By focusing your efforts on these people, you can appeal to their wants and needs, because they already have a higher chance of converting.

A SALES FUNNEL CAN HELP PREDICT YOUR SALES VOLUME

With a sales funnel, you can use each marketing phase to quantify the number of perspective customers, and then take the data to predict the percentage who will become actual customers.

For example, if Jane monitors her website traffic for six months and finds that she gets 5,000 visitors to her website every month, and out of those visitors, 40% of them sign up for her free product/email newsletter, that's roughly 2,000 new subscribers per month. Of those 2,000 new

subscribers per week, 5% of them end up becoming paid subscribers or purchasing one or more of her products.

With this information, Jane can then determine based on the number of people in each stage of the funnel, how many sales she can expect to make.

A SALES FUNNEL CAN HELP IDENTIFY MARKETING OBSTACLES AND DEFICIENCIES

Keeping a close eye on your traffic and statistics from your analytics program will help you keep track of what's going on each stage of the marketing process. You can watch for trends in each stage over time, and as you notice these trends, you can pinpoint issues where you have room for improvement.

Using this knowledge, you can either make adjustments to your plan to improve it, or you can learn where you need to focus more of your efforts to improve your results. If necessary, you can change your strategy, or concentrate on a particular strategy to see what it does.

If Jane notices a change in response to calls to action during certain months, she can adjust the number of emails she sends to her list, either up or down accordingly.

Now, let's take a look at the process you can follow to setup your own sales funnel and put it to work for you.

3

SETTING UP YOUR FIRST SALES FUNNEL

When you're setting up a sales funnel for the first time, it can be overwhelming to decipher all the information out there. In this chapter, we're breaking down the basics so they're not only easier to understand, but they are also easier for you to implement.

SQUEEZE PAGES

A squeeze page may also be called an opt-in page, or a landing page. The one and only purpose of this page is to turn your website visitors into subscribers. Subscribers are the ones who make up your email list, which you use for the purpose of tracking traffic and conversion rates. The email list exists also so you can send emails without being considered "spam."

So, where does the name "squeeze" page come from? Simply put, it "squeezes" your reader until he or she feels there is no other choice than to release his or her name and email address to you. Readers do this because they are interested in what you have to offer, or that free gift you're giving away is just too irresistible. Many people won't subscribe to other lists, but they're willing to subscribe to yours because of what you have to offer them.

When it comes to building an effective squeeze page, certain things must be done, while other things must be avoided.

WHAT YOU MUST DO

- Research and learn about your target audience, down to a small detail. Start with a general subject, then find your niche, then find your sub-niche. The more targeted you are, the higher chance of your conversion rate. For instance, let's say you want to break into the pet care niche. Pet care is your general subject, where dogs could be a niche, and Doberman Pinschers could be your sub-niche.
- Use bullet points to list your main selling points. These are easy to scan, which is a plus for both you and your readers.
- Include a call to action. While your readers likely see the box where they need to fill in their name and email address—they like easy—and easy means spelling out exactly what you want them to do next.

WHAT YOU MUST AVOID

- Putting links to anything other than your email list subscription form on your squeeze page. This page does not exist to sell your product—this comes later in the sales funnel. This page is only there to collect subscriber information, and get people interested in you and what you have to offer.
- Making the squeeze page too long. Do not include more detail than you need to get the job done—getting the reader to sign up. A one page sign up box will work far better than a five page long sales letter.
- Losing sight of the fact that your most important job is to make your readers *want more*. When your readers want more, they'll come to you for it. Leaving the reader wanting more is the big secret of seeing success with your sales pages.

ENTRY POINTS

An “entry point” is any external website or vehicle that leads visitors to your squeeze page. You can use any number of techniques to increase the number of entry points you have out there. The more entry points, the more likelihood people will come to your offer.

Here are some examples of valid entry points:

- Solo ads
- Links in press releases or newspaper articles
- Articles posted in article directories with a link to your site in the resource box
- Blog posts written with SEO in mind to draw in organic search engine traffic.
- Pay-per-click, or PPC advertising campaigns with search engines and/or social media websites.

An often forgotten, yet critically important “entry point” is word-of-mouth. On the Internet, this is known as “buzz.” Generating buzz about your product or service on the Internet is one of the best and fastest ways to increase your reach, and your conversion rates.

Here are some examples of ways to generate buzz:

- Product reviews
- Social Media websites such as: Twitter, Facebook, Instagram, and Pinterest
- Forum posts

Expert recommendation is a new way to leverage the word-of-mouth entry point. When an authority source within a niche tells you about a superior product, the social proof they offer carries a lot of weight. However, it is important to remember: if you are the one doing the recommending, then you need to make sure you deliver on your promise.

Don't recommend things you haven't used, or wouldn't use. You'll lose your credibility and authority in no time!

FREEBIES

This is the traditional and among the most common way to entice people to opt-in to your list. By offering a freebie that promises to provide them with information they've been desperately searching for, on a subject they are passionate about (ideally your niche or sub-niche) you'll be providing an irresistible offer, and increase your subscriber opt-in rate.

Here are a few rules to follow when building your freebie. Follow them, and most of your battle is won!

- Keep the freebie short, and packed with value.
- Let readers know you have more detailed information.
- Provide readers with at least one, if not more, pieces of solid, valuable information.
- Either fill in a gap that no one else has filled, or solve a problem that everyone's busy talking about, but no one else is solving.

In the past, freebies have used a traditional method of showing readers *what* to do, enticing them to buy the product you're offering to find out *how* to do it. As more marketers don't want to take the risk of frustrating their demanding buyers, they're shifting away from the traditional approach and moving toward giving them one complete piece of the puzzle—a piece that offers high value—that the reader can put in immediate use.

You can't just give your freebie away and leave it at that, or you'll never make a sale. You must make it clear to your reader that even though you've solved one problem or addressed one point, the paid product or service you have to offer covers the subject in more detail. Basically, you're using the freebie to lead them to the next stage in the sales funnel, drawing them closer to becoming a paid customer.

Traditionally, a “special report” much like a shorter version of this eBook is offered, but you don’t have to limit yourself to just that. Here are a few other options you may want to consider:

- Five to seven day audio course (free or cheap to produce with a microphone and a sound program such as Audacity)
- Five to seven day email course (free or cheap to produce, depending on whether you write yourself, or hire someone to write it for you.)
- Video (free or cheap to produce with the right equipment and software)
- Webinar
- Newsletter

You’re really only limited to whatever your imagination comes up with, however, you should keep these two *golden rules* in mind as you develop your product:

1. The purpose of your freebie is to market to your ideal customer, and get them to sign up to your list. You don’t want anyone else on your list!
- Your freebie needs to be the logical first step of what you have to offer. It should start with low end and move to high end, running parallel with your marketing plan.

LOW-PRICE OFFERS

There’s no Internet marketing rulebook that says you have to follow the traditional line of thought in where you place your offers throughout your sales funnel, though low priced offers are a solid marketing tactic many who are new to Internet marketing use to get the job done.

The most effective way to decide what to offer and where in your funnel lines in considering what your niche market will handle, and what you want to tell the market about yourself. Think about how your market will respond, and how you want them to perceive you.

Basically what we're saying is that you are never expected to shout, "I'm a newbie!" from the rooftops. If you have the expertise your market calls for, and the chops to get the job done, then you can position yourself as that expert—even if you are only a few steps ahead of your target consumer.

If there is a bigger demand for your product, you may easily be able to get a higher price from it, but at the same time it is important to remember your target audience's actual budget. If it's too expensive for them, they won't buy it!

When you create your first low priced offer, present it as a limited time special, exclusive offer in a forum designed specifically for your niche. Typically, there's a special offers section for forum members. Before you post your offer though, make sure you've become actively involved in the forum, providing helpful information to the community. Also, make sure you're following the forum's rules for special offers. Just popping in to post a special offer without regard to the community itself means no one will listen to you.

Posting your special offer in a forum helps you in two ways:

You'll get feedback, and hopefully, testimonials from people in your target audience, so you can adjust anything that may need to be adjusted, and you can correct any mistakes they may point out to you.

You'll get the word-of-mouth we talked about, along with the potential for joint venture (JV) partnerships, or affiliates who will market your product or service along side you, to help you build a sales team of sorts.

UPSELLS

Whether you realize it or not, you're already familiar with upsells. It's an additional offer at a higher price, included in the product you just sold, or are about to sell.

A simple real life example: If you visit a fast food restaurant, and the cashier asks, "Would you like fries with that?" When you say yes, you've just been upsold. This increases the amount of money you've spent at the establishment, and in that purchase.

As an Internet marketer, you can do the same thing to catch the customer when they check out, by offering a relevant upsell.

New marketers often make the mistake of attempting to sell an unrelated product. Customers do not take the offer as the next logical step, and therefore are not interested in whatever it may be.

In our example, burgers and fries often go hand in hand. They logically go together, and if you're not already ordering a combo meal with fries and a drink, the cashier is going to try to get you to. You'll save money compared to buying them all individually, so you feel good, but either way, the restaurant gets more out of your pocket than if you would have just bought the burger.

If on the other hand, the restaurant cashier asked you if you wanted a burrito with your burger...you'd wonder why, and would have said no.

You can introduce your upsells in other places besides your check out page, too. Some options include:

- The download page.
- The "Thank you" page.
- In selected emails to your subscribers
- With a membership site, you can offer a lifetime membership, or upgrades that come with additional resources or more privileges.

As you're planning a campaign or writing a product, think about upsells, and how you will work them into all the parts of your sales funnel...especially as you build your first sales funnel.

DOWNSELLS

Not all your customers are going to bite on the upsell offer, even if it is a good one. Maybe they don't need the additional product, or they don't have the budget for the additional cost. Depending on where your upsell is, you may lose them as customers, but you don't have to! The downsell swoops in and offers them a cheaper alternative, while still providing something deeply and closely connected to the product you're trying to sell.

Typically, you can re-purpose your original product into a "stripped down" version of the main product. For example, if the product you're offering includes a monthly CD and software package, with PDF reports, and audio files... you can send the PDF reports and the audio files, at a lesser price—so people still get something valuable and meaningful to them.

This way you're taking a less expensive version of your product for people who cannot afford the higher priced version of their product—so you don't risk alienating any part of your audience.

Regardless, your downsell needs to be a quality product. Otherwise, you're scamming customers, and you won't get far with that. The last thing you want people to feel is that they didn't get the value they expected—they should be valuable and worthy to you, regardless of how much money they are willing to spend with you.

After the customer purchases your downsell, they'll most likely want to learn more, and purchase the original product in the first place, when they're able to do so. If you're really good, they'll buy your upsell when presented with the opportunity again, to get even more!

Put your downsell in a place the user would see only after he or she declines the product or the upsell.

CROSS SELLS

The cross sell is when you recommend additional products that either enhance or compliment yours. You add these in the same places you include your upsell offers.

You can use another one of your products, a JV product, or a product you're an affiliate for as your cross sell. The key here is, you need to be cross selling products that offer a high perceived value—so that your customer sees your offer as genuinely helpful, rather than an attempt to get even more money from them.

When utilized correctly, cross sells will not only increase your profits, it will create a deeper emotional attachment to you, as you're positioning yourself as a person who truly cares and is looking out for their customers.

ONE-TIME OFFERS (OTOS)

These make use of the "scarcity" principle. When people don't think they're going to be able to get this good of an offer again, they are that much more likely to jump at the chance to get in on it.

To be effective, you should place this offer after the customer makes his or her product purchase, but before he or she downloads it, using language such as: "You'll only see this once..."

You can also place your OTO in a special email to your subscribers. Let them know the offer is being offered for a limited time to induce scarcity... and you take it one step further and let them know that no one else is getting the offer (it's not publicly available on your website) so it is also exclusive, which makes the customers feel special, and valued.

The double-whammy of scarcity and exclusivity is a powerful profit generator.

RECURRING INCOME PRODUCTS AND SERVICES

This is the jackpot. This is what all Internet marketers are striving for, as real profit lies here. You don't have to sell over and over. These people know you, and are interested in what you have to offer. They're the ones who are always near the bottom of the funnel...after that initial trip through it.

CREATING RECURRING INCOME/REPEAT CUSTOMERS

- **Build Trust with Your Customers:** Show your customers they can trust you by using your free and lower priced items.
- **Overdeliver:** No, we don't mean bombard your new customers with random freebie bonuses. We mean going the extra mile to be helpful. For example, when you offer a free report on how to build squeeze pages... offer an unannounced bonus of four killer squeeze page designs.
- **Know yourself...Pace Your Offerings:** Recurring income happens at the right moment. If you can provide compelling proof of your expertise, it could be nearly instantaneous. If you are this marketer, you can offer a Gold level subscription to your membership website, paid, right alongside your free Silver level subscription. If you are only a few steps ahead of the rest of your customer market, you can offer a membership website after getting a few products at the low and mid price points out into the market.
- **Be Consistent:** Plan your offers and how they will progress, well in advance. You do not want to disappear for months at a time, and you don't want to flood your subscribers email box. If you

disappear, you'll likely get deleted or unsubscribed, when you come back, because people don't remember who you are or why they subscribed in the first place. If you flood, you'll likely get deleted or unsubscribed, simply because people are bothered.

- **Teach Your List You are the Go-To Guy/Gal for What they Need:** Use the other methods that you use to build links and credibility: such as answering questions on niche forums, testimonials, etc.

With all this out of the way, it's now time to invite your customers to grab offers that will help you build a recurring income. Some options include:

- Long term courses
- Group coaching
- One-on-one coaching
- Paid membership websites
- Upgraded membership levels on the membership websites (elite, platinum, diamond, etc.)
- Monthly reports, audio, or video "clubs"

4 CONCLUSION

By now, you should have a pretty good idea of what you want your sales funnel to look like, and how you're going to fill it in with offers. You may also have a fairly good idea of how many products you want to produce, as well as the timeline you want to follow to get maximum exposure and profits.

Your sales funnel will:

- Increase your sales!
- Help narrow down your visitors into more targeted consumers.
- Help you focus your marketing efforts to increase your conversion rates (and profits)
- Help you identify holes in your marketing plans and strategies.
- Help you predict your sales volume.

Though you will have a larger number of people at the top, and a smaller number of people at the bottom, and it seems like you would really want it the other way around, the targeted customer is really what you're after.

The sales funnel works so you can spend most of your time and marketing budget marketing to the people who are already more likely to buy from you. Though you'll have less people near the bottom of the funnel, the fact that those people are more likely to buy from you than the people at the top makes them that much more valuable to you. You'll get more bang for your buck, in a sense.

When you build a sales funnel, recognize that not all your customers will start at the top. Your brand new customers may start at the top, but some customers may start in the middle, even though they've not purchased from you, because they have a referral from one of your other customers.

Your existing customer base is usually toward the bottom, because they are much more likely to buy from you again, than someone who is brand new to you.

The key to success in your business is knowing how your sales funnel works, making it parallel to your marketing plan, and having customers in all stages of your sales funnel at all times. This way, when customers buy from you, you can move more people down to the bottom, and keep the customers in reserves for repeat buys and recurring income.

Build your sales funnel by focusing on providing your customers with quality freebies and products that will serve a need or solve a problem they cannot get solved anywhere else.

Fill your website with quality content, that will help bring visitors in naturally to you through organic search. Spread the news of your website and offers through PPC campaigns, guest posting, forum posts, getting testimonials and product reviews from people in your target audience, etc.

Focus on quality customer service. Go above and beyond, and you'll earn the respect of your customers. Your reputation, positive or negative, will spread. This can make or break your business, so focus on making it positive and you'll be that much closer to success.

Remember, you do not have to be an expert to position yourself as one. You can be just a few steps ahead of your target consumer, and that's far enough to make a name for yourself and start earning money.

Much of your business, with the proper planning and work beforehand, can be executed on autopilot. You can create the products, the sales pages, autoresponders, etc. so that everything is taken care of without intervention from you, which is a nice way to build passive income. However, you'll have to keep an eye on things, so you can make sure that you don't disappear, and you're responding to your customers needs. You may have to pop in with a special offer from time to time—to stay current.

Even on autopilot with passive income, you should still be actively working toward your next promotion and/or your next product.

It won't be overnight riches or success, but with the right dedication and hard work, you can be a successful Internet marketer who runs his or her own business! Good luck!