

## **How to Grow Your Business With Sales Funnels**

# Introduction

The sales funnel is a marketing process where you take prospects through a number of steps to get them familiar with you and your products so they feel comfortable enough to purchase from you. The funnel is a metaphor that's used to convey the various stages of the selling process. Sales funnels can be used with any type of business, but in this report we'll be focusing on how to best implement them with internet marketing.

A sales funnel is a model that's used to organize the whole process of selling, starting with lead generation to sales. The main advantage of using this model is that it forces you to focus on qualifying your prospects - identifying who is most likely to actually buy from you. That way, you're not just blindly advertising and trying to sell to people. Instead, you're targeting your ideal customer, and not wasting undue resources (time, money) on trying to sell to people who aren't really interested.

Picture a typical funnel that's wider at the top and gradually narrows. You start off by having a (hopefully) large number of prospects enter the top part of the funnel, and as the funnel narrows, there will be fewer people, but they'll be increasing likely to buy your product. The following are the usual stages of a sales funnel. We'll be discussing all of these in more detail later on.

\*\*\* Traffic and Lead Generation

\*\*\* Communicating with your list

\*\*\* Making sales and Following up

You can find various definitions of a sales funnel, and different recommendations on the best way to set them up. You should keep in mind, however, that while the sales funnel is a very useful model, it's still only a metaphor. It can help you run your business more efficiently and suggest certain strategies you can use. It's not, however, an exact science. Nor is it a magic button that will instantly start pumping cash into your bank account or Paypal account. How well a sales funnel works is ultimately going to depend on you - the quality of your product, how you communicate with your prospects and so forth.

No matter how ingeniously you set up your sales funnel, some people will still not buy anything from you. You can't always know why. Likewise, others may purchase something early in the process, before they've progressed all the way through the funnel. But overall, the sales funnel can help improve your conversions, and attract more long term customers, which is why they're used by so many top marketers.

## 1. Targeted Traffic

If you want to use a sales funnel to sell anything online, the first thing you need is traffic. If people aren't clicking on your ad or visiting your landing page, there's no chance to get them into your sales funnel. The key to starting off your sales funnel in the right way is to make your traffic as targeted as possible.

Targeted traffic just means attracting people to your page who are going to be genuinely interested in your offers.

## **Keywords**

Whether you're using paid advertising, such as Google Adwords or relying on SEO (search engine optimization), you should pay particular attention to the keywords you use to get traffic. Keywords are really the foundation of your whole sales funnel, as this will determine who looks at your offer in the first place.

Using specific, or "long tail", keywords is often the best way to target your audience. For example, let's say your goal is to sell a course on how anyone can get a core "six pack abs." This happens to be a popular niche right now, but the same rules would apply for anything. Since this topic is related to some general ones, such as health, diet, exercise and losing weight, you could do some promoting in these areas. However, you wouldn't want to spend money (such as in pay-per-click campaigns) on these broad and very competitive keywords.

The term "Six pack abs" is, of course, itself a very competitive term, so you should also search for less competitive terms, using either a free keyword tool such as Google's keyword tool (or Keyword Planner as the case may now be) or perhaps a paid service or software for finding good keywords.

Starting with your keywords, you then have a basis for getting some targeted prospects, whether you're going to write articles, upload videos, create a blog or launch a pay-per-click campaign.

## **Where to Get Targeted Traffic**

In order to get targeted visitors, you either have to pay for them or get them using various free methods. In this section, we'll briefly outline some of the best ways to get people into the first stage of your sales funnel.

### **Paid Advertising**

This can be pay-per-click, banner advertising, placing solo ads in ezines or various other methods. The advantage of paid advertising is that it can get you targeted traffic quickly. The disadvantage is that it can be a drain on your budget and, until you gain experience, the results can sometimes be disappointing.

When you're creating a sales funnel, you do have an advantage over people who are trying to make sales directly using paid advertising. It's much easier to get people into your sale funnel -which essentially means getting their contact info- than to convince them to buy something right away. Still, you should only use paid advertising if you have a little money to invest.

### **Social Media**

Social networking sites like Twitter, Facebook and LinkedIn are great resources for getting qualified prospects into your sales funnel. What's great about these sites is that you can really target people -by gender, age, geographical location, interests and even income. That way you can build a list of prospects who are likely to respond to your offers. You can use social media sites in two ways -by getting friends, contacts or followers and networking with them or

by utilizing paid ads, such as Facebook offers.

### **Articles, Videos, Forums, etc.**

You can get people into your sales funnel by writing and submitting articles, uploading videos, commenting on blogs in your niche or by participating in forums. These can all get traffic to your squeeze page, where you can start building an e-mail list. They can also help you rank in the search engines. While these are all effective, they can be time consuming. If you can afford it, any of these tasks can be outsourced.

When you use any of these methods of traffic generation and SEO (search engine optimization), always keep your targeted keywords in mind. Whenever possible, use anchor text that uses your keywords and points to your squeeze page. For example, when you write articles, use your main keywords and also include a link to your squeeze page in the resource box. When you comment on blogs, you also have the opportunity to leave a link. When you submit videos, be sure to put in your keywords and URL in the appropriate place.

Joining forums in your niche is another good way to get prospects for your sales funnel. You should be careful how you use forums though, or you can send people the wrong message or even get banned. The only place you should try to list your link is in the forum signature. You should also create a real presence on the forum, replying to posts and starting legitimate threads. This will make people want to click on your signature. What's good about forums is that it's a targeted group of people in one place who you can talk to for free.

## **2. Lead Generation and Building a List**

The whole purpose of getting targeted traffic into your sales funnel is to generate leads. The sales funnel concept is not about making fast sales, though of course you won't complain if a few people who are anxious to grab your product decide to purchase it right away! Your basic strategy, however, is to generate quality leads and develop a relationship with your prospects. You're also trying to separate the real prospects from the colder leads, who are more likely to be freebie seekers or just curious.

So you don't want to send your traffic to a sales page. This would defeat the whole purpose of the funnel, as you haven't given people enough time to pass through the essential stages. You want to start off by simply collecting their name and e-mail address.

### *You Need an AutoResponder*

If you're not currently signed up with an autoresponder service, such as AWeber or GetResponse, you should do so before taking any other action. If you prefer, you can start off with a free autoresponder, but it may be difficult later on to transfer your list when you want to upgrade to a better one.

### *Your Squeeze Page*

A squeeze page is simply the page you send traffic to. Its sole purpose is to get people to leave their name and e-mail address, so there's no mention of any products or services you're selling. To be effective, a squeeze page needs two main features: it must have an appealing,

dynamic look and you have to offer people something interesting or valuable in exchange for their information.

It's worth getting a professional looking squeeze page. This isn't hard at all, and if you don't have the skills to create it yourself, you can get it done cheaply. In fact, you can get a squeeze page built, or receive templates you can use for \$5 on the Fiverr.com site! If you want something a little more elaborate, you can still find people who will do it at a reasonable rate. Remember, your squeeze page is where people enter your sales funnel, so it's very important!

A squeeze page should be simple, without too much distracting information. You should offer people a free gift that promises some valuable information. An important point here is that you actually have to deliver on this promise! The gift can be a short report, a video or a subscription to your newsletter, but remember that people can unsubscribe to your list as fast as they subscribed, so you have to offer them something of value.

Whatever you offer people in exchange for their information should obviously be closely related to whatever you ultimately want to sell them. Returning to our "six pack abs" example, you may ultimately want people to buy your \$47 or \$97 course on this topic. A good approach would be to have a short video on your squeeze page giving people a helpful tip, such as an exercise or diet tip for their abs. Then offer them more free information, either in the form of a report or video. Or, tell them that you'll send them a helpful newsletter once per week that will have lots of free information.

### *The Value of "Free"*

There is some disagreement among marketers over the value of giving things away. As in the above example, it can be an effective way to get people to sign up to your list. Another point of view, however, is that you'll only be attracting freebie seekers or, as they're sometimes called, "tire kickers." Some marketers prefer the approach of targeting "buying" keywords right away, to instantly rule out those seeking free info.

There is some logic to this, but in fact it makes too big of a distinction between "buyers" and "freebie seekers." In reality, almost everybody would prefer to get something for free. On the other hand, with the right approach, you can gradually transform people's point of view to where they're willing to pay for something that has a high perceived value. The whole sales funnel process, in fact, rests upon this idea of moving people from one stage to the next. So it makes sense that you have to start off by offering some value for free. This is how you start building trust.

### **3. How to Communicate With Your List**

The way you communicate with the people on your list is one of the most important aspects of your sales funnel. This is actually how you move them through your funnel and, hopefully, transform them from mere prospects into customers. Of course, even when somebody buys from you isn't the end of the sales funnel process, as you then want to turn them into repeat buyers!

The mistake many marketers make with their list is that they're too anxious to start selling

them high priced items. When you've gotten somebody's e-mail address by offering them a free gift or a subscription to your newsletter, you still haven't won them over as a customer. This is actually just the beginning of the sales funnel process. You now have to win their trust and gradually persuade them that you have some valuable information for them.

*How frequently should you send e-mails to your list?*

There's no hard and fast rule for this, but the general answer is, "often enough, but not too often." You have to stay in touch with people consistently for them to remember you. If you only send out e-mails once per month, or once every couple of weeks, it will be hard for people to remember who you are, given the high volume of e-mails that many people receive. On the other hand, if you're e-mailing people multiple times per day, you will quickly become a nuisance. This is a sure recipe for having a high "unsubscribe" rate. The happy medium is at least once per week and never more than once per day. Three times per week is probably close to ideal. You don't have to stick to a schedule religiously, but just keep it in mind that you have to stay in touch, but not overdo it.

*What should your e-mails consist of?*

You should mainly be sending out short, concise and helpful messages to people. Keep your tone chatty and informal, as this helps to remind people that you're a real person and not a large corporation. Remember that people have short attention spans, though, so keep your messages brief.

*Autoresponder Series*

One approach to e-mail marketing that works well with a sales funnel is using an autoresponder series. This is where you pre-load a series of messages into your autoresponder that go out on a certain schedule that you determine. This can be an effective way to stay in touch with your list and ensure that you don't forget to mail them regularly.

#### **4. Two Approaches to a Sales Funnel**

While it's a good general rule to focus on keeping your e-mails friendly and helpful and only do a minimum of actual selling, there are exceptions to this. If you're offering, for example, a product such as an internet marketing course or piece of software, you may want to design your whole list around the product. In this scenario, you don't have to worry as much about offering helpful info, because the people who have signed up for your list are specifically interested in finding out more about this particular product.

To illustrate the two different approaches you can take, I'll give an example of each. For the first example, we'll return to the "six pack abs" niche and pretend we have a product called, not very originally, Super 6 Pack Abs. For the second example, we'll pretend we're selling a high end internet marketing course called Super IM Course. Keep in mind that, for each of these examples, you could take a different approach. These are only possibilities. In each of these cases, we'll assume that an autoresponder series with three messages is being used. In most real world cases, you'd probably want to use more than three.

*Super 6 Pack Abs:*

Squeeze Page: Short video of abs exercises. Promise to reveal more tips if prospect signs up for free newsletter.

Message 1: Diet tip. Final paragraph says something like, "For a complete course on how to achieve six pack abs fast, click here."

Message 2: Exercise tip. Again, end with link to your sales page.

Message 3: Describe your product in a little more detail this time, and end with a link to your sales page.

Follow-up: For anyone who actually buys your product, you can create a separate list, as these are people you know are buyers.

### *Super IM Course:*

Squeeze Page: Video or text describing the features of this course, along with results people have achieved using these methods. Offer to tell people more about the course if they leave their info.

Message 1: Describe a leading feature of the course. Include a link to the main sales page.

Message 2: Talk about another exciting aspect of the course and end with a link to the sales page.

Message 3: A summary about all the ways the course can help people make money. Link to sales page.

Follow-Up: As before, anyone who buys the product can now be placed on a new list of buyers.

The only real difference in the two approaches is that, in the first case, you're portraying yourself as an authority in the fitness niche and suggesting a good product, while in the second example you're focusing directly on a particular product rather than on a wider niche. You can use either of these approaches, depending on your preference and on what you're marketing. But in either case, the idea is to provide the prospect with as much information as possible.

### *Analyze Your Data*

One of the secrets to success with a sales funnel is keeping a close eye on your data. One of the most important uses of analyzing data is to see what kind of results you get from your squeeze page, as getting the prospect's e-mail address in the first place is your first hurdle. Using a tool such as Google Analytics can be very valuable for keeping close track of important data.

The most successful online marketers will often test a variety of squeeze pages to find out which ones produce the best results. Beyond this, you can also test various sales pages or

autoresponder messages to find out which ones produce the best conversions.

## **5. After the Sale**

In the examples in the previous section, it was pointed out that even after you make a sale, you aren't finished with the customer. Quite the contrary, buyers are your most valuable asset and you should make every effort to follow up with them so you can build a list of loyal customers.

### *Upsells and OTO's*

There's a psychological reason why many marketers use "upsells" and OTO's (one time offers). The reason is that when someone makes the decision to buy something, a shift has taken place in their mind. You can probably see this in yourself, whether you're shopping in a store or online. You might browse in a store for twenty minutes, but once you pick up an item and decide to buy it, you're then more likely to buy something else as well. The same is true online. That's why sites like Amazon do so well, as there are millions of items to choose from, and a customer can start buying one thing and end up buying a dozen.

That's why it can be a good idea to have an upsell or additional product that can be added to someone's shopping cart. It should be related to the original product, and perhaps make it even more useful. For example, if you were selling the above Super 6 Pack Abs course, an upsell might be an exercise machine or nutritional supplement. With the Super IM Course, the upsell could be a piece of software.

An OTO, or one-time offer is a similar idea, and it adds the idea of scarcity to the mix. The customer has to make a split-second decision to get this item, for if he or she waits even a day, the price will go up.

Before we leave this section, I want to point out a caution you should keep in mind when using upsells or OTO's. You don't want to make the customer feel like you're playing a trick, and that his original purchase doesn't have much value on its own. This can be a risk, and it's something you often see in internet marketing products. You will buy this course that promises the world, only to find out that to really make it work, you need a piece of software costing \$97 or you have to join a membership site that costs \$47 per month.

You have to use your best judgment in this area, but the main thing to keep in mind is that any additional offers should not in any way suggest that the main product is incomplete. Otherwise, you're working against the whole strategy of a sales funnel in order to make a few extra dollars up front.

### ***Providing Value***

There's one extremely critical aspect of the sales funnel that it's easy to overlook -providing actual value to your customers. In the next section, we'll be looking at ways to leverage your list of buyers so that you can keep them as customers. However, regardless of what techniques you use, if the original product they buy from you isn't satisfactory, it's not very likely that they're going to buy from you in the future!

You have to be especially careful in this area when promoting affiliate offers. If you blindly promote products that you're not familiar with, you run the risk of having dissatisfied customers. If the product is truly inferior, there may be a high refund request rate, which will obviously cut into your profits. However, even if the product is so-so, and not many customers ask for a refund, it's not likely that you'll be building profitable, long term relationships with your customers.

To get the most out of a sales funnel, you have to take a long term view. This means that you're not just trying to make a sale, but build a loyal customer base. In order to do this, you have to deliver products that satisfy and preferably over-deliver.

### *Following Up*

To enjoy the long term benefits of a sales funnel, you have to know how to stay in touch with your buyers in such a way that they remain loyal. It's a good idea to separate your list into at least two groups -buyers and non-buyers. What's the reason for this? Simply that when people establish that they're willing to actually purchase something from you, they prove that they're in a completely different category from your "ordinary" prospects. After all, you're not doing all this just to send out e-mails; at some point, you actually want some of these people to purchase something from you! When you have a separate buyers list, you can start implementing some more advanced techniques that will make your sales funnel even more profitable.

## **6. Leverage Your List of Buyers**

The obvious value of buyers is that, once they buy from you once, they're more likely to buy from you in the future. This doesn't mean, however, that as soon as someone buys your product that you should start sending them twice as many e-mails urging to buy more from you. This will be counterproductive, as the objective here is to build relationships with your customers. To do this, it's best to channel your buyers into special areas that make it natural for them to buy more from you without your having to do any hard selling to them.

It pays to be generous to your buyers list. Offer them even more free gifts than you do to people on your regular list. You can also offer your customers special deals on any of your future offerings.

### *Membership Sites*

A membership site can be a great way to leverage your list of buyers. Of course, you can also use a membership site as your main product as well. Either way, it's a good idea to create a sense of specialness around the membership site. Another option is to have a free membership site with a special paid option.

One approach you see fairly frequently with internet marketing products is offering a free trial to a paid membership site as a bonus to a product. This is a clever tactic, as you're giving something away, but this will automatically turn into a recurring payment for you unless the customer cancels. As with your main product, you have to make the membership site genuinely valuable to your members, or you can't expect them to stay.

When you have a membership site, there are all kinds of opportunities to create income for yourself, aside from any monthly membership fee. Since it's your site, you can place banner or text ads wherever you want for your products. It's a good idea to give your premium members a special discount on any products or services they buy from you. This should be a legitimate discount, so that they receive a real benefit from being a member.

A membership site is also another mailing list. While you have to give members the option of whether or not they can receive e-mails from the admin, most members will allow this. As with any mailing list, you have to show some restraint when it comes to selling your products, but you can certainly send occasional offers to your members.

## **7. Make Your Sales Funnel Unique**

Online marketing is extremely competitive, and no matter what you're selling, it's likely that there are thousands of others in the same niche. That's why it's essential to come up with your own unique approach when you create your sales funnel. You don't necessarily need a product that's unique. In fact, if your product is too unusual, it may be hard to sell it. You should be addressing a need or problem that many people have, which suggests that there will be lots of competition. What you have to do is make your marketing approach original.

### *Be a Real Person*

By personalizing your communications, you add an important dimension to the selling process. People don't buy only because of logical reasons. In fact, research suggests that it's mainly emotional reasons that motivate consumers' buying behavior. Now a sales letter will usually appeal to the prospect's emotions regarding a certain issue or problem, such as making money, losing weight or training their pet. However, when it comes to the sales funnel, you should aim to connect with your prospect in a more personal way as well.

You don't have to reveal all of the details of your life to people, but don't be afraid to refer to your background, the area you live, your hobbies or even random things that strike you as funny or interesting. Don't go on at great lengths about such matters, but casually weave them into your e-mails. What you want to avoid here is having a generic autoresponder series that simply states lots of dry facts. Even if you're loading a dozen messages that will be sent over a period of three months, you can still make them sound chatty and spontaneous rather than dull and purely factual.

### *Brand Yourself*

This is similar to being a real person, but it goes a little deeper. No matter how popular your niche may be, if you're creative you can find a particular angle on it that's original. In some cases, you can combine the personalization and branding ideas. For example, if you're selling the aforementioned (imaginary) Super IM Course, you may want to brand yourself based on who you are. If you happen to be a student, a stay at home mom, retired from the military or an ex-college professor, you can brand your newsletter based on this. If you live in a famous or colorful place, you can use that.

Remember that when you brand yourself, you don't have to be logical about it. Some of the most successful examples of branding are based on nonsense, in fact. Think of the famous

insurance company ads that feature a talking gekko. What's the connection between insurance and lizards? There wasn't any, until someone came up with the idea. There's really no limit on the way you can differentiate yourself if you think about it.

When you brand yourself, you can take advantage of this in the name you choose for your company or product, your logo, and in your style of communication. The great thing about creating a brand is that you can do it in so many different ways.

It can make all the difference when you create a sales funnel, so that you aren't exactly like everyone else in your niche.

### **Conclusion: the Value of Sales Funnels**

The main value of a sales funnel is that it encourages you to think in terms of building a real business. Many people get involved with internet marketing with a short term view, perhaps even a "get rich quick" attitude. This is, unfortunately, encouraged by many ads and programs that promise instant results. A sales funnel, however, is a business model that forces you to look at every stage of the process of acquiring customers -and keeping them.

In order to create successful sales funnels, it's essential not to neglect any step of the process. You have to begin by getting targeted traffic to your squeeze page, learn how to communicate effectively with your list of prospects and transform as many of them as possible into loyal customers. Along the way, you want to keep track of your data and conversions so you can gradually upgrade your tools (squeeze page, Adwords ads, sales page, etc.).

A sales funnel isn't a technique that will make you rich overnight. Nor does it promise to magically compel everyone to buy your product. What it does do is allow you to connect with the people who are most likely to appreciate what you're offering.

### ***Tips for an Effective Sales Funnel:***

- \*\*\* Traffic must be targeted
- \*\*\* Effective squeeze page
- \*\*\* Make it easy for people to take action and move further down your funnel
- \*\*\* Good and consistent communication with your list
- \*\*\* Offer a quality product
- \*\*\* Leverage your buyers and make them feel special