

# Your Online Marketing Funnel System

A Methodical and Systematic Approach to

Bring In New Customers and Sell to the Active Existing Ones

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# Your Online Marketing Funnel System

I'm going to show you my marketing funnel system. I'll do so in part 2 of this ebook.

But first I discuss a lot of related marketing elements in my introduction. Elements that make or break the success of your marketing system.

Therefore you should read this guide carefully. It contains many valuable gems, that, once applied, can boost your profits.

Have fun!

Here's the...

## Table of Contents

<a href="#">Introduction.....</a>	<a href="#">3</a>
<a href="#">WHY A Marketing System?.....</a>	<a href="#">3</a>
<a href="#">Ready? FIRE! Aim.....</a>	<a href="#">7</a>
<a href="#">How Your Marketing Umbrella Influences Everything.....</a>	<a href="#">8</a>
<a href="#">More Than Just Advertising.....</a>	<a href="#">11</a>
<a href="#">Why This System?.....</a>	<a href="#">15</a>
<a href="#">The Marketing Funnel System: Overview.....</a>	<a href="#">21</a>
<a href="#">Pareto's Principle: the 80/20 Rule.....</a>	<a href="#">21</a>
<a href="#">Here's your Online Marketing Funnel.....</a>	<a href="#">24</a>
<a href="#">Before They Buy: Your Lead Generation System.....</a>	<a href="#">27</a>
<a href="#">The After Sales Follow Up Plan For Bigger Profits And More!.....</a>	<a href="#">29</a>
<a href="#">The Importance Of Testimonials And Feedback.....</a>	<a href="#">30</a>

## Introduction

### WHY A Marketing System?

When you build your (online) business, people aren't visiting it automatically lead by some invisible force. You have to tell them *exactly* what you and your site can *mean for them*. In other words, you have to **promote** and **advertise**. You have to convince them. Heck, even *giving away* your most precious information can only be done successfully by '**selling**' it.

You need a **methodical and systematic approach** to bring in new customers and sell to the active existing ones. You also must have some process to reactivate previous clients. On top of that, you do want to test different strategies and tactics to discover the ones that are the most profitable for you and your business.

There's an abundance of marketing advice available on the Net - some of it really good, a lot of it (very) bad, several that works for some businesses, but not for others. Almost always, the only way is to try them out yourself to know for sure.

So you try [article marketing](#), you advertise in ezines, set up profiles and pages in (too) many social network sites, you're floored by the next product launch promising you the world, you study copywriting, give [email marketing](#) a try or discover the world of joint ventures and try to land a few.

You also study some winning sales letters and implement the best elements in your own efforts.

You network with your peers, hoping to harvest some outstanding ideas to try out as the next project.

To put it briefly, you may be everywhere, testing new as well as time-tested methods.

Keeping (and knowing why, which is even more powerful) what works and tossing away what doesn't. By the way, this is the best [testing resource](#) I've ever seen, by far!

So, you're busy doing all these marketing and promotion aspects to find out what works and what doesn't.

## Your Online Marketing Funnel System

Given enough *time and money* - because it actually is a numbers game and nothing else - eventually you will discover the best working methods for your business.

The question is...

...can you really afford it to **burn through all that money** and a **lot of that time** before you get there?

Let me give you an example.

Long time ago I used to go on holidays in the Alps and on one occasion my companions and I wanted to take a hike in the mountains. Our hotel hostess - a very nice, advanced aged woman - volunteered to be our guide. When she was off duty, we took a firm hike to the top of the mountain the hotel was on.

When we started our -two and a half hour- walk towards a refuge hut, we were running uphill and found her pace dreadfully slow. But soon we got very tired. We stopped to look back and saw our guide approach from a distance. We took a little rest.

Then, before she could catch up with us, we started climbing again. This time at a slower pace. But soon our calfs and shins started to hurt, so we stopped and looked back to see how far our host was behind. We took another little rest.

Again, before she could catch up, we were on the road again. This time walking backwards, so we wouldn't feel the pain in our lower legs. It wasn't for long before our thighs started to ache. Shall we take another rest? This time a bit longer, so we could recuperate? Great idea.

We then joined our trusted hostess and guide as she caught up with us. So, how to walk now? Following her pace? Made sense by now. Yes, let's do that.

But soon it appeared that we were completely worn-out because of our unsystematic methods that weren't suited to make that two and a half hike uphill.

We tried running, walking, walking backwards, strolling, resting and it only led to frustration not being able to follow our guide for the last hour. She was out of our sight soon and arrived in the hut first, where she started to prepare a nice meal for us.

That analogy can be applied to your business as well.

## Your Online Marketing Funnel System

You will NOT be able to **stay focused** on your business and **achieve your goals**, when you constantly spend all your time and money chasing the next greatest thing.

Yes, some techniques may work for you. It's just not an economical use of your time and resources.

IF however, you have a method, plan or system in place, you're **better focused and positioned to grow your business** over both the short and long term. (That lady climbing the mountain at a slow pace used a system, simple as it was.)

Even if every method you tried turned out to be a success, you still need some kind of system to tie it all together. It doesn't have to be complicated. In fact, some of the best systems are fairly straightforward. It just has to be consistent and proven as I will describe below.

A system that

- ✓ will keep every day tasks from falling through the cracks
- ✓ can let in every new, successfully tested strategy with the confidence that it will run with everything else already in place and increase the ROI (return on investment) of your system even further, meaning.. whilst you start the ascent to the mountain top for the second system, the first one still is on its way up at the exact right pace. Now you have two guides walking the mountain,
- ✓ removes you from the time-consuming operations tasks and allows you to concentrate on growing your business
- ✓ lets your business run like clockwork, so you are able to spend more time with your family or doing the activities you enjoy,
- ✓ once optimized, your system utilized to new/other business ventures, expecting the same kind of success as your master "seed" system,
- ✓ can be tailor-made to the demands of your business. The best systems are flexible. They allow you to accommodate whatever facet of your marketing and any alterations in your market or industry trends.

All it takes for you then is to concentrate all your attention to that system. It's the marketing equivalent of your [business plan](#), which you also should have when running a business.

## Your Online Marketing Funnel System

If you're the one who brings in the money, then that's what you need to be doing. Every hour you spend coping with operations issues like repairing the copier or the phones is an hour that robs you twice: that hour is gone, and you've spent an hour less bringing in the dough.

A system relieves you from the long operations tasks and lets you focus on thriving your business.

Now, let's stop and concentrate for a minute about how much your time is worth. You actually do need to look at your income and break it down to an hourly rate.

Here's what each hour is worth to you now:

$$\frac{\text{Your Desired Annual Income}}{52 \text{ Weeks}} = \text{Desired Weekly Income}$$

and...

$$\frac{\text{Your Desired Weekly Income}}{\text{Desired Avg. Weekly Work Hours}} = \text{Desired Hourly Worth}$$

...because you have to plan for your goals, not what you're achieving now.

Therefore whatever task that does not bring in your hourly rate (at a minimum) had better be outsourced for cheaper. In the end that will eventually apply to any task that does not bring in you your desired hourly rate.

By putting a system in place, you will be able to focus on those activities that will earn you at least your desired hourly rate, while leaving other tasks to your employees or outsourced help.

## Your Online Marketing Funnel System

*"Learn from the mistakes of others. You can't live long enough to make them all yourself."*

—Eleanor Roosevelt

### **Ready? FIRE! Aim.**

Back in the times when I started my career in automation, one of the first things I learned was to make a planning for everything I did.

Such a planning wasn't just an estimate of time.

I was forced to break down every job into tasks and subtasks and I had to plan every single one of them. The total job planning simply was a tally of all the detailed plans.

At first I really hated that and I think every human being does so by nature. Geeeee, all I wanted was to do my own thing. Create great software programs and build nice automated systems using my programming skills.

But it got even worse, because one of the subtasks that always was included in the planning was testing. Based on the specifications, we were obliged to create a representative test set of all possible situations that could occur and that should be adequately dealt with by the programs we wrote.

→ Boring, dull, dreary, tedious!

But there was a reason for doing this.

You see, I worked for a software house and my colleagues and I were sent out to customers to develop automated systems that their employees couldn't do or didn't have time for.

Hourly rates were sky high and customers expected nothing but the very best from us. Absolute TOP quality provided at Lightning Speed.

That's exactly what we delivered. Very successfully.

We closely kept ourselves to our standards and methods. One of which was, that we allowed ourselves only two test runs! Then the system had to work according to specifications.

We almost always succeeded in doing so!

While we walked away laughing, our customers were still busy picking up there jaws that have dropped on the floor.

## Your Online Marketing Funnel System

They absolutely didn't understand how we did it. Because their methods almost always consisted of: **Ready? Fire! Aim.** Plus Repeat!

Thanks to all the standard methods we used and thanks to a detailed planning system we were able to outperform anyone. Thus we were also able to always beat our competitors. Just by delivering our products in time and fully operational, which was the reason behind these high hourly rates.

But it wasn't exactly my natural behavior. I had to learn to apply it. Heck, during my three months education period, my coaches FORCED me to apply it. Being kind of rebellious, I didn't always accept that. Just because I didn't see the need to do so.

It was only in hindsight that my colleagues and I could appreciate the consequential use of standard methods and systems.

Because we were simply better than anyone else, reason why our income...

...was **twice as high** as anyone else's in the industry!

In my later life, I've always used this systematic approach in everything I undertook. It sort of became a habit.

So when I started my ventures on the Net, the first thing I learned were the standard methods, strategies and systems used by some of the top marketing insiders.

I learned from people who've used these methods to allow themselves a very comfortable lifestyle. In short, I learned from successful do-ers.

By modeling and adapting the most successful systems they've used, I've been able to build my own.

### **That's what I'm going to show you in here!**

I'm going to show you an **overall marketing system** you can use and I'll show you how this marketing funnel will benefit you once you set it all up.

## **How Your Marketing Umbrella Influences Everything**

I guess that when you get on a plane, you're happy that pilots run through their checklists. Because, although they ARE experienced, running through that

## Your Online Marketing Funnel System

checklist ensures everything is properly addressed and nothing falls through the cracks.

### **Checklists are proven to work!**

Think of a system as a more heavy-armed and complete checklist. Whereas the pilot uses his checklist for pre-flight testing, the total system would be the mechanism in which the entire airline company adheres to from end to end.

As an aside, there are essentially three ways to grow your business:

- 1) You acquire more clients.
- 2) You get your existing clients to spend more cash with you.
- 3) You get your existing clients to buy more often.

Reactivating old clients that no longer buy from you can be considered a new or existing client, so they would also fall into the above described methods.

Therefore our marketing system deals with the end-to-end system of marketing, profit centers, and ROI. Everything that can potentially affect the three methods to grow your business mentioned above (and the opposite: preventing your business from shrinking) is part of the marketing system.

Let's do a quick simple exercise to illustrate what I mean. Put a check next to each role below, if you believe marketing influences that role.

- Product fulfillment
- Product packaging
- Managing dissatisfied and inactive clients
- Support
- Issuing refunds
- Human resources (the hiring, firing and promotions of employees)
- Customer service
- The layout of your business: your store, waiting room, etc.
- Appointments and follow up

Ok, I guess you were smart enough to know that marketing influences ALL of those roles.

Among other things, customer service implies the opportunity to ask for up-sells, cross-sells and drastically reduces refunds. The same applies to support.

Plus you may not realize that the handling of dissatisfied and inactive clients is not the exclusive obligation of operations. As a matter of fact, they are chances to increase your sales and promote referrals. Therefore it's crucial to

## Your Online Marketing Funnel System

keep your front line service employees up to date with your latest marketing campaigns to capitalize on these chances.

For instance, when a department store, using full-page newspaper ads, ran a holiday promotion showcasing their price reductions for increased holiday inventory while offering easy to phone orders, the telephone operators weren't aware of any of their special offers.

As a result, clients were unhappy and just because a manager forgot to tell the operators about the promotion, lots of sales were lost.

Fulfilling orders looks like a job for shipping. True, but you have extra chances to sell even more by simply putting package inserts in with the shipment. Think of it, your clients just bought from you. They're delighted with their purchase. They feel good about doing business with you. Therefore it's a great moment to ask for another sale!

How about your waiting room design and your store layout? Plaster your waiting room with photos and testimonials of past clients, instead of boring magazines and pictures from Sears. This tactic is always used by smart car salespeople. You'll see innumerable pics of euphoric clients posing with their spic-and-span automobiles in their offices. That's how they are able to put their prospects mentally in that picture!

What about issuing refunds, appointments and follow-up? These are all chances to sell even more. *No opportunity should go untapped*, which your marketing system should reflect.

Even Human Resources should not be limited to all the hiring and firing decisions. Even a busboy or a dishwasher plays an built-in role in the restaurant business. It's irrelevant whether or not they interact directly with clients. Your clients still experience the outcomes of their actions.

Here's an old story.

One day, somewhere in the seventies, government officials who were evaluating the funding that NASA needed, were given a tour by top management of NASA. They stopped and asked a janitor what he did for NASA.

The janitor replied: "I helped put a man on the moon!"

If you want to ensure your business is well positioned for growth, this is exactly that kind of mentality that you absolutely must instill into your employees. In the end, every single road must lead back to marketing. Because that is the only way your business will grow. Your "marketing umbrella" needs to touch all facets of your business.

## Your Online Marketing Funnel System

### More Than Just Advertising

There's much more to your marketing than just having great sales copy and effective ads. Regardless how great hard-hitting your ads are, other factors also determine how prosperous your business will be. Your marketing system has to address all of them.

In general, there are three aspects that determine the success of your marketing campaign.

They are, in order of importance:

1. Your market
2. Your offer
3. Your sales copy and ads

Did you notice that your ads are the *least* important of the three?

When you think about it carefully it makes sense. If you have a hard-hitting ad for the priciest set of golf clubs shown to a group of literature devotees, it ain't gonna cut the mustard.

If, on the other hand, you have a feeble ad targeting a red-hot market who desperately wants what you're offering, you'll sell much more than a great ad targeting a weak market.

Similarly, your offer better be good. Or better still: great. Because you won't sell that same set of golf clubs using a great ad targeting die-hard golfers who know, trust, and purchase your clubs if they can get the same set of clubs at their local golf store for less. Unless they have a compelling reason to get them from you instead.

So, if your offer is weak, you may hire the best copywriter in the world to write your ad and target it to the right market, it's still won't sell.

This is, by far, the most important mistake I see many marketers on the Internet make. They create a product for a market that doesn't exist, or that they can't approach, or that doesn't have money to spend. Or they just fall in love with their product without looking around.

**You only make the maximum number of sales possible  
when all three -your market, your offer and your copy -  
WORK TOGETHER.**

## Your Online Marketing Funnel System

On top of this, I would even add two more success factors, the first being **media costs**.

Of course you know what your product costs you. Also you know your gross profit margin. For instance, a 75% margin on a \$100 product means your gross profit would be \$75 per product sold that costs you \$25 to produce or obtain.

In addition to that, there's fixed costs, but you also know these in advance. So the cost of your media is the unknown variable.

Now, let's take off line advertising.

If you pull in a gross profit of \$15,000 from a \$18,000 full-page ad in a national magazine, you are short the \$3,000 to cover the ad expenses and break even. So in this example the ad is a failure. (That is, if you don't take the value of a life time customer into account; if you DO, you could sell other products to the people who bought from you, thus increasing your 15K profits!)

If however you get that same full-page ad for \$10,000, then the ad is a success because you make a profit of \$5,000.

So, the difference between failure and success is how cheaply you can buy your media.

Of course I'm assuming you're running your best copy - your control ad. Obviously improving the ad's response rate can make the difference too, but all things being equal, you can see the direct result of your media costs on your campaign.

It may be, if you can't get the ad space cheap enough, that your full-page advertisement in that specific magazine may not bring a positive ROI, but it may in a different magazine or a different media.

Direct mail for example has no media costs - just printing, postage and list rental, if applicable. The same applies to catalogs. Those costs are fixed, particularly if you are mailing to your own "house" list.

However...radio, TV, print display ads and any other negotiable medium introduces variable costs determining the success or failure of your marketing campaign.

The same applies to online advertising resources.

## Your Online Marketing Funnel System

**Timing** is the other success component I'd add to the "standard three". While part of the offer/market match, results can swing between more and less successful, even though every outcome may be considered an overall success.

As a matter of fact, very often the best market/offer match-up is "tuned" to the timing of the ad being run. Which actually comes down to the question: what will the market bear?

But it would be better to turn that contrariwise: the ad should be aired/mailed/run/ when the timing is at its most favorable moment to yield the highest profits and ROI.

Especially when promotions are tied in to certain current news events, the timing factor is evident. Almost always news arrives with little warning and fast action is required to develop and deploy the offer while the news is still fresh. Of course you have more time with events that stay in the news for longer periods, but it's still better to be first.

It gets even better when you know news is coming so you plan ahead for all outcomes. That's exactly why sportswear and similar companies have promotions ready to go for both teams in the World Series or Superbowl. The outcome is easy: one of the two teams will win. Otherwise they wouldn't be able to start their campaigns the minute the results are known.

The same applies to elections, an upcoming holiday, the passing of a new law, the Olympics, a NASA mission or the release of a music CD or movie. You should strongly consider the use of news for your benefit any time you have an opportunity. It's a great technique to stand out of the crowd and get your message opened when sending a broadcast to your list.

Speaking of lists...

You must be aware of the **two most important factors** people on your list consider when deciding whether **to read your email or not**. They are (in order of importance):

1. Who sends the email. Changing your "From" name often can decrease your open rate drastically.
2. Your email subject. Don't use any tricks to get these emails opened. They will likely delete your message instantly if they DO open your email and feel screwed because your subject has nothing to do with the content. Or worse, report you as a spammer.

Based on these two factors they will decide to:

## Your Online Marketing Funnel System

1. Open your email
2. Trash your email without opening it
3. Save it for later

Of course you want them to [open your message immediately](#) and then have your copy take over to convince them to take the action you desire.

So that's why, whenever there is an event they are already talking about, you should use that to your advantage. Because then you are

### **“entering the conversation already in their minds”**

which is a powerful concept that you should use in every sales copy!

If such event can have different results, one way you can be among the first is planning ahead for all possible outcomes.

As a sidenote:

Speaking of being the first, there's another timing facet. If there are many products similar to yours being sold to your target market, usually that's an indication there's huge demand for your product.

By being the first to launch a product that is congruent with their desires and needs is an opportunity to dominate your niche market. But, like any other marketing strategy, this involves a there is a risk-to-reward ratio.

You take more risk by being the first. If successful you will of course reap more reward. But the opposite is also true: you run a greater risk of losing a lot if it's a failure.

We limit risks by testing, which enables us to decide whether to move onwards - or “roll out” - with our promotion or cut our losses short. Of course our tests are done on a much smaller scale on a sample typical of our larger market. We'll address testing in greater detail later on.

But... getting back to your market, your offer, and your copy.

Together they will typically determine the success of your marketing efforts. That's exactly why hard-hitting ads alone won't grow your business. You need to take other things into account that will make or break your success.

An effective marketing system should contain all of this as well - systematically - from end-to-end.

## Your Online Marketing Funnel System

A great example of such marketing system ever created in the fast food industry was based on Ray Kroc's vision of consistency and resulted in a tested formula that was implemented in all McDonald's restaurants.

McDonald's didn't take off as an empire. It was Ray's system that enabled their terrific growth, based on having McDonald's restaurants on the East coast offering the same menu prepared in the same way as the McDonald's at the West coast.

Ray developed a system that he tried, tested and tweaked, until it was a success model: his "seed" system. Then he multiplied that system in a huge way, rolling it out on a grand scale and taking the rewards that came with it.

The wonderful thing about this concept is anyone can do it, whether on a large or much smaller scale, and get the same results as the "seed" system.

I hope I've convinced you about the merits of putting a system in place for your marketing.

Probably you already have some sort of general system or plan working for you, even if it's not complete or consistent. You may recognize what needs to be done, but perhaps you're not sure how to utilize it. Or maybe you're just shifting your focus week-to-week, month-to-month, chasing down the methods that you think will give you the greatest success at that time.

But opportunities are slipping through the crevices you're not watching. That climb upon the mountain just isn't moving forward steady enough.

Let's face it: you've been down that road before. Isn't it time to focus your efforts on what's really important to you and your business?

I'm here to help you do just that.

### **Why *This* System?**

Because it works. That's the short answer.

But since I may have to convince you to use this system, you may need more background information. Allow me to tell you how this system came to be.

I didn't devise the core concepts. The system is founded on tested marketing principles perfected over the course of time by thriving entrepreneurs... the doers, the testers, and the business constructors. Entrepreneurs who've built

## Your Online Marketing Funnel System

their businesses from zero and followed the difficult path to turn these enterprises into multi-million dollar empires.

When I started to create an online marketing business, I was a bit puzzled about my marketing strategy. So I began reading about prosperous entrepreneurs who built their enterprise from the ground up, and I was particularly interested in the ingenious ways they marketed in the early days on a shoestring budget.

In particular, I was fascinated by permission marketing, [list building](#), where people leave their name and email address to receive interesting information. Information and ads for (mostly electronic) products that you couldn't pick-up, touch, or examine, yet people would pay for them without knowing you, only to download and read your product a few moments later or, in case of tangible products, to wait several weeks to receive the goods they ordered.

As I read more about that topic, I recognized I had to learn the trade from seasoned online marketers as they have been through the trenches. Thus I would not only buy information, but experience at the same time as they carefully measured their results to the penny and perfectly knew what worked extremely well and what didn't work.

So I ordered early online products, like "The Insider Secrets to Marketing your Business on the Internet" by the late Corey Rudl, a full 2 binder product sent by snail mail. And "The Amazing Formula" and later on "The Big Course" by Marlon Sanders, both in quite a raw electronic format. Ken Evoy's "Make Your Site Sell" was next.

Implementing the two-step [email marketing strategy](#) (where perfect strangers give you their name, email address and their permission to send them more information about your product -the first step-, allowing you to follow-up by sending your marketing materials -the second step-) was a big breakthrough to establishing my first lead generating system.

Soon after I sold my first product for a slight profit, but the most important part was that I learned a great deal from really doing it, instead of just studying it. I learned to test and track my efforts. I also learned about HTML, [developing websites that perform very well](#), copywriting and creating info-products.

Along the way, I made many, many mistakes, but that was part of the learning process.

Fast forward to the present. I continued to build and adapt my system over the years. At that time I was also working as a management consultant and I

## Your Online Marketing Funnel System

discovered that many of my clients had no real marketing system in place and created promotion campaigns at random without proper evaluation (you might be surprised at how many).

So, besides advising management, some part of my work consisted in putting a solid marketing system in place that allowed them to concentrate on the core aspects of their business. That enhanced the growth of their business.

Now I'm telling you that such a system can easily do the same for you.

- ✓ It's based on other 'proven to work' systems, that are quietly making their owners fortunes in profits and business growth
- ✓ It's been designed to work for practically any business
- ✓ It's adjustable. You can easily insert your own steps, or methods used by your coaches and mentors.
- ✓ It incorporates little known strategies and tactics used by the top moneymaking marketers.
- ✓ It's organized so you can concentrate more on the methods that generate you the best results.
- ✓ You will see results immediately, while all the same utilizing strategies for long-term growth
- ✓ you are able to start it on a shoestring budget or a larger investment (plus apply the well-known 'time versus money' trade off).

The system itself is fairly straightforward, but it's *how* you get leads, *how* you follow-up, *how* you sell that's really going to make the difference between barely making it work or a windfall of profits and growth. I'll take you step-by-step through this process.

Is this the "best" system or the only system you should use? That's a highly personal choice, and a decision you'll have to make. I wouldn't think of it in those terms, but rather once you have a chance to put it to the test, ask yourself:

**"Is it working for me?"**

I would say keep an open mind to everything, but keep only those methods that you or someone trustworthy has personally tested and found to be successful. As President Reagan used to say, "Trust, but verify."

## Your Online Marketing Funnel System

Renowned deal maker and business growth consultant Jay Abraham had a client in the construction business. This company would deliberately break even on the first job they performed for a new client. They made sure the client knew that fact. It was their way of showing their quality and performance. As a result, 80 percent of those clients hired them again, adding \$50 million a year to their bottom line.

Another of Jay's clients brings in \$6 million a year performing maintenance and repair work for air-conditioning and heating. Twice a year that company does a mailing to all their clients, and they also advertise a \$19.95 tune-up and cleaning service.

Although it actually costs them \$30.00 to perform the service, they end up making money instead of losing it. That's because about half the people they visit end up having an immediate problem that needs to be repaired - a problem they weren't aware existed. That problem adds a minimum \$125.00 profitable service charge that they collect right there and then. So even though they lose about \$10.00 on the initial service, they know before even heading out to perform the service calls that they'll make a nice profit overall.

On top of that, 50 percent of their new clients having the service performed for the first time end up being regular customers, bringing in an additional \$2.5 million a year.

Do you think there are opportunities to sell one of your entry products or services at a loss or break even to make even more on the back end?

Legendary copywriter John Caples once tested the following two headlines of an ad to see which one gave the greater response. Can you guess which one was the winner?

**"What Would Become of Your Wife  
If Something Happened to You?"**

**"Get Rid of Money Worries for Good!"**

You see, no matter how experienced a marketer you are, it's nearly impossible to precisely guess what the market wants or will respond to without testing. John knew this, hence his test. By the way, the second headline out pulled the first, even though an advertising jury (think professional focus group) favored the first to win.

The famous New York merchant John Wanamaker once quipped, "I know 50 percent of all my advertising is being wasted, I just don't know which half!"

## Your Online Marketing Funnel System

With testing and tracking, implemented in a marketing system, he would have known.

Do you want to know which of *your* ads are earning their keep and which ones you should ditch? Would you like to learn the right way to test?

Online marketers John Reese and Yanik Silver have both mastered building customer loyalty. In fact, if you've spent any time marketing online, you're probably well aware of John's record-breaking \$1.08 million in sales within the first day when he sold his *Traffic Secrets* course in 2004.

Yanik has had equally great success with his courses, seminars, and other products. John and Yanik both use many secrets to maximize their profits, but I think one of the biggest reasons for their success has been the way they developed their customer loyalty and built social proof around their brand identities (i.e. themselves). Also they have a solid system for duplicating that success in all of their endeavors.

Plus -and here's a big one- neither of them restrict their marketing efforts to online only. That's an important distinction between most Internet marketers and these pros. One of the reasons they're so successful.

Would you like to build that kind of customer loyalty and social proof? Do you think your business will benefit from both online and offline marketing... a form of hybrid marketing that contributes more as a whole than either one could alone?

Joe Sugarman may be famous for his BluBlocker sunglasses line, but long before he entered the retail market, Joe was a veteran of direct response and the mail order business, selling gadgets and high-tech products to the mainstream.

Joe applied his tested direct marketing methods to the infomercial media, and he was also among the first to use toll-free numbers to take orders via credit cards. His competitors, of course, imitated his methods whenever they could because they worked. Given the opportunity, why do you think they copied Joe instead of some high-priced MBA consultant or ad agency?

These are all real examples of marketing veterans in the trenches making *billions* for themselves and their clients. Does this mean every attempt was a success for them? Did everything they touched turn to gold? Of course not. They all had their share of disappointing results and failures too. All the more reason for you and me to learn from them and ethically "steal" their ideas.

## Your Online Marketing Funnel System

By the way, there IS a sneaky way to avoid all this tedious 'trial and error' testing. It's getting your hands on [material that has proven to work](#). Not easy to get, but it will save you tons of time and hours of frustration.

So with that said, let's progress to the overview of your marketing funnel system and start with the fundamental concepts of this system: the *80/20 Rule* and the *marketing funnel*.

### The Marketing Funnel System: Overview

*“Timid salespeople have skinny kids.”*  
—Zig Ziglar

#### **Pareto’s Principle: the 80/20 Rule**

In 1895, while studying the distribution of wealth in his country and every other country he studied, Italian economist Vilfredo Pareto observed something very interesting. He discovered that eighty percent of all the land was owned by only twenty percent of the population. Over time other people discovered corresponding distributions that applied to their own situations. It was Dr. Joseph Juran, a professional quality management expert working in the US in the 1930s and 40s, who recognized a worldwide principle he called the "vital few and trivial many."

Juran's observation that only 20 percent of something is responsible for a massive 80 percent of the results became known as the 80/20 Rule, or Pareto's Principle.

Pareto's Principle simply indicates that in any situation, only some (20 percent) are critical and many (80 percent) are insignificant. In other words, the 80/20 rule means that the relationship between input and output is seldom, if ever, balanced. In Pareto's observations it meant 20 percent of the population possessed 80 percent of the land. In Juran's case it was the discovery that 80 percent of all problems were caused by 20 percent of manufacturing defects. You can apply the 80/20 Rule to almost anything.

It's very likely that 20 percent of your staff and co-workers give you 80 percent of all the support you need. True advocates like them are rare, so don't take these people for granted.

You probably read specialist literature and professional journals. I'll reckon 80 percent of your knowledge concerning those topics comes from 20 percent of them.

The same applies to simple things like those jobs around the house that you've been planning to get around to doing? The 80/20 Rule implies that on your list of ten to-do items, only two will prove to be worth at least as much if not more than all the others put together.

Just to be clear: the 80/20 really is a general rule of thumb, an estimate. Sometimes it might be 85/15 or even 90/10, sometimes 70/30. But the core of the concept is that a small quantity of something creates a vast majority of results.

## Your Online Marketing Funnel System

Here's another important manifestation of Pareto's Principle: even the way you spend your time falls within the scope of the 80/20 Rule. Have you ever observed that 80 percent of your success is generated by 20 percent of your endeavors? Or, to put it in reverse, 80 percent of your efforts only causes 20 percent of your success.

Recognize that?

This means that you are in the undesired situation of the 80 percent segment, if

- ✓ You're doing a lot of prep work that's setting you up for the "real" work.
- ✓ Tasks are taking much longer than you thought they would.
- ✓ You're working on tasks that aren't in your area of expertise.
- ✓ You're frequently putting out fires and working on "urgent" tasks.
- ✓ You're spending time on tasks other people want you to do, but you get little or nothing in return.
- ✓ You're not happy, you're complaining, or you don't feel a sense of accomplishment upon completion of your tasks.

However, you're in the most desirable situation of the 20 percent segment of your efforts if...

- ✓ You're concentrating on tasks that help to boost your purpose and achieve your goals.
- ✓ For tasks outside your area of expertise or ones you prefer not to do, you're outsourcing or hiring people.
- ✓ You're completing tasks quickly, particularly the "core" work that needs to be done.
- ✓ You're limiting yourself to doing things you love and feel good about.
- ✓ As an exception, you may be accomplishing tasks you don't like, but you're doing them anyway, realizing they add to the bigger picture.
- ✓ You're happy, grinning, and you experience a deep sense of achievement upon completion of your tasks.

## Your Online Marketing Funnel System

So where does the Pareto Principle come in into your marketing funnel system?

Well, you probably have discovered that 80 percent of your revenue is generated by 20 percent of your clients. If that's not the case, chances are that you neglect a lot of moneymaking opportunities. Let me explain.

If your clients add to your revenues on a one-to-one ratio (1:1), it implies that your business model concentrates on making a single sale and clients may never buy from you again. One opportunity. One sale. End of the story. Back to the start to catch the next client...

But if your business marketing system is equipped to continue to sell to them, over and over again, you'll discover in the end that there are some clients who will buy more frequently and spend more cash with you over the long run than others. Of course some will still buy once and never return. That's all right. No matter what system you have in place, that's going to happen anyway.

But your marketing system will play a major role in ascertaining what those top "20 percenters" will spend with you in the end. Or even whether you have a top 20 percent to begin with.

These folks are your "A" customers and they need to be treated as such. Like royalty. Exactly like the 20 percent of your colleagues and staff who are your true advocates, your "A" customers are your company's true advocates. The way they show their loyalty to you is by frequently buying from you and by referring others to your business.

So the online business marketing system you want to use should include a process towards supporting your clients to:

- ✓ Purchase more often.
- ✓ Graduate towards making bigger ticket purchases, generating much more profits.
- ✓ Make even bigger purchases with cross-sells and up-sells.
- ✓ Become an advocate for your business and refer others to you.

That's why this marketing system should start with an "ethical bribe", an incentive for your prospects to willingly and voluntarily raise their hands and become your leads.

## Your Online Marketing Funnel System

### Here's your Online Marketing Funnel

You use your "marketing funnel" model in a targeted market where you want your visitors to make a small purchase (yes, providing an email -or physical mailing- address is a kind of payment), and eventually you "funnel" your buyers step by step towards increasingly high-end products and services by selling them to the next level.

So by "funneling" (also called "up-selling" or "backending" -Dan Kennedy calls it "gathering the herd"-) your prospects into leads and paying customers, you set the stage to offer fantastic value to them. You even want to deliver so much value that your clients eagerly start to look forward to getting content from you. By delivering that value comes the chance to take your client to the next level, where you can offer and sell higher-end goods to her.

This is a two-edged sword as both you and your client benefit by this relationship. Your client benefits when she gets more and more value... something she genuinely desires. You're aiding her in that respect. Needless to say you profit likewise by slowly fine-tuning your client to your "A" list, where you can supply even more value.

The figure below shows the typical online marketing funnel. Note that for offline marketing the only differences are at the top of the funnel, concerning the way in which you get your leads. Online they are your website visitor and provide you with their email address (and maybe name) to become a lead. Offline, they would get your offer in some other way.

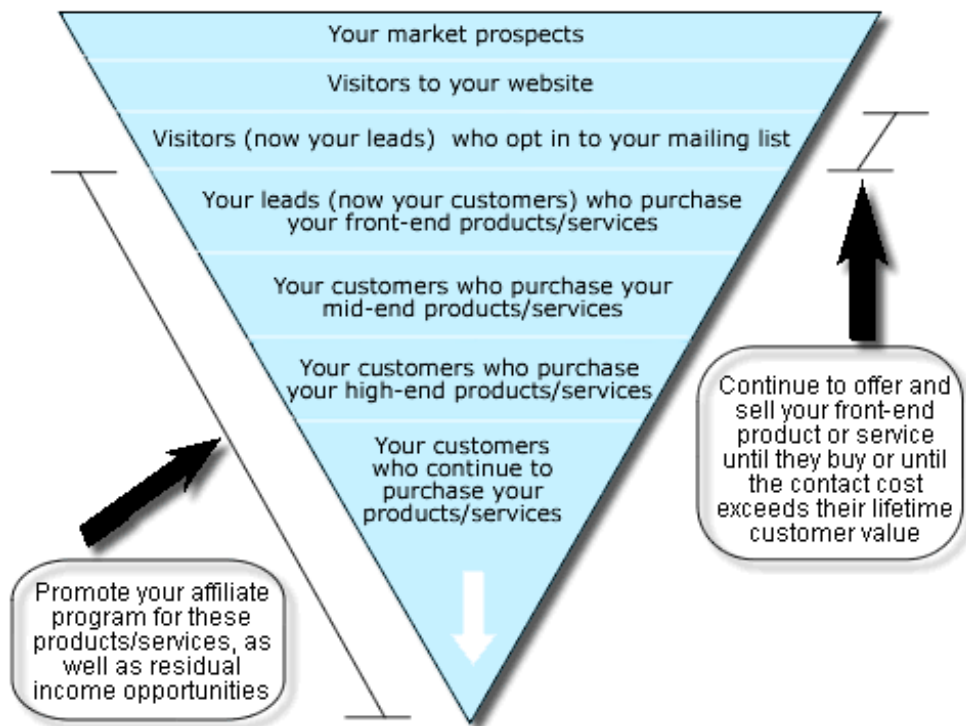
Observe how the funnel width gets smaller towards the bottom! It symbolizes the client numbers at that stage of the funnel. Realize however that the smaller the width, the more cash they are spending with you. In other words, the sum of money they spend with you is (more or less) inversely in proportion to the width of the funnel.

Where did we hear that before? Yes, Pareto's Principle!

Now you can see that the 20 percent of your clients, generating 80 percent of your revenues, are at the funnel's bottom. The other 80 percent that brings in the remaining 20 percent are towards the top. This is not a mathematical absolute, but more a general observation. As stated earlier, these figures might be 70/30 or 90/10 or somewhere in between.

This is no coincidence. Your biggest advocates, your "A" customers, are in the smallest section of your client base...the bottom of your online marketing funnel (but the top in terms of the value you deliver to them).

## Your Online Marketing Funnel System



**The Marketing Funnel (Online)**

To gain an excellent understanding of how the funnel works, let's walk through each step.

1. Your prospect enters the funnel by replying to your "ethical bribe" or incentive by handing out their contact information. Now she's a lead on your mailing list.
2. You start to supply more value to her, as you wish to turn her from a non-paying lead into a paying client. That's why you present her with your front-end, or entry-level, offer on a product or service directly related to the incentive she received when joining your list. You may decide to offer your front-end at a break even or even an initial loss and make up for it on back-end sales, but you must be quite sure of your conversion rates to calculate your chances.
3. If she doesn't buy your front-end product immediately, you proceed to sell her on the same or similar front-end offers -ideally both-, since at this moment she just may not be ready for your initial offer, but may be later.

## Your Online Marketing Funnel System

4. As soon as she buys your front-end product, she has now become a client. You are now “warming her up” to doing additional business with your company. If she experiences that you over deliver on your value promises, she’ll feel confident purchasing from you over again.
5. Since you would like to graduate her to your next price level, you offer her a higher-end product or service related to the front-end one she already bought. You follow a similar approach as step 3 above if she doesn’t purchase. That is, you continue to make her offers, only this time on the mid-level product range.
6. When she buys your mid-level product, you move onto the high-end ones. She is now conditioned to purchase from you with confidence and without concern, because she’s already familiar with the outstanding value you provided her. She’s experienced the solutions of your products first hand, so her buyer’s resistance is brought down. She is now rapidly approaching the “A” clients status. The 20 percent bringing in 80 percent of your revenues.
7. You keep going to sell her higher ticket items and supply your absolute best value to her.

These steps represent a very simplified approach. If you really desire to be successful in the end you’ll soon discover that there is much more to it, but it’s not rocket science by a long shot.

Here's an example.

Every time your client buys from you, you’ll want to offer up-sells and cross-sells. Up-sells are more high-priced styles, grades, finishes, distribution rights, options, or a bigger version of the product (“Do you want to super-size that?”).

Very often up-sells are presented as [One Time Offers](#) (OTO's).

Cross-sells are complementary items that go along with the product. Extra paper, ink, blank media, private label articles, or even a carrying case, whatever (“Do you want fries with that?”).

After the sale, you’ll want to do everything in your power to make sure she is satisfied. Of course because you want her to buy again from you, but also to ask for a nice testimonial. Plus you also want to reduce your refund rate and gain her endorsement. You wish her to tell all her friends and colleagues about her positive experience with your company.

That's because people are more likely to tell others about a bad experience with a company than when they have a nice experience. You want to have them tell others about their nice experience.

## Your Online Marketing Funnel System

The next step is to build up some kind of recurring income, where merchants pay you so much a month or year forever until the clients you referred to them cancel. Of course not every one of your clients will do that, but your best chance is with your "A" customers. If possible, you should create different residual levels at different price points, just like you offer different product levels.

### **Before They Buy: Your Lead Generation System**

There are basically two lead generation systems that we're going to talk about today to get your prospects to subscribe to your list.

1. You provide something valuable that they want and will get when they subscribe to your list.
2. You present them with precious content up front and then tell them they can subscribe to your list for even more. This is the "reverse lead generation system".

Ideally, you'd like to implement both of them. Particularly in really crowded markets such as the Internet Marketing (IM) niche, where prospects become more and more unwilling and skeptical each day to give out their email address. By showing them up front a bit of what they'll can expect, like in the reverse lead generation system, they will be put at ease.

You want to provoke a reaction like "Geez, I'd like to see what this guy/girl is selling if (s)he's giving away all this!" in both systems.

Let's closer examine some lead generation devices.

In order to be objective, I won't use any of my own. Instead, I'll use the 'Copywriters Toolkit' as an example, a great product from successful copywriter John Ritskowitz. Also, because John set up the basics for this series and he was so kind to provide his conversion rates (no affiliate links in here!).

Here's the main sales page: <http://www.copywriters-toolkit.com/>. As you can see, John provides a "sneak preview" in his third P.S. That's where leads can get his Profit DNA book and a few tools just by subscribing to his list.

But he also tested a couple of other things using so called squeeze pages. Those are page designed to only 'squeeze' a name and email address out of his leads. I will show you these pages below, followed by the conversion rates (the percentage of leads who subscribed to his list). Note that the first two are only designed to "sell the mystery" and get them on the early bird list.

## Your Online Marketing Funnel System

<<http://www.copywriters-toolkit.com/index-d.html>> 22.03%)

<<http://www.copywriters-toolkit.com/index-r.html>> (24.82%)

<<http://www.copywriters-toolkit.com/read.html>> (14.56%)

<<http://www.copywriters-toolkit.com/dna.html>> (14.87%)

John also used others, but these converted the best. Carefully note, that "selling the mystery" (the first 2) is a crucial concept that shouldn't be left out, whether a pre-launch or not!

Now for the reverse lead generation system. John produced a book: "The Profit DNA: How To Unlock The Code To Maximum Profits Through Self-Evolving Websites."

It contained strategically placed links referring back to his sales letter and his squeeze pages that he was testing during the release of this book.

You can still see how John did that. Just download "[The Profit DNA](#)"

Notice the links to the sales letters and John's blog on the download page. He did the same in multiple places where it made sense inside the book. Just don't overdo this, as you don't want your book to be a sales letter. Instead, you only want it to offer high value content that people would actually pay for, and then slip in "Oh, by the way, you can learn more about X here...", almost an reconsideration.

Perhaps you already know many of these tactics and I agree this is not rocket science. but here's the main question: "How many of these lead generation tactics are you using right now?". Huh?

One of the main obstacles implementing such tactics is the time it takes to get them all into place. John spent almost a year getting many of my puzzle pieces into place in a perfect way (although he also has been very busy writing copy, his core business that always comes first).

But don't let that hold you back. I've written many 52 and longer autoresponder series, that took months before they were perfect (and I'm still looking closely to unsubscribe rates).

I'm passing on this information as a shortcut for your own efforts here, because it's IMPORTANT!

I could talk about lead generation all day, as there are many ways to do it successfully. But I think I've covered the important concepts.

## Your Online Marketing Funnel System

### **The After Sales Follow Up Plan For Bigger Profits And More!**

After selling your front-end product, the work only starts. That is, if you want more profits, testimonials, feedback, customer loyalty, referrals, and more. Therefore your after sales follow up marketing plan kicks in.

Let's start with more profits.

You may recall the 3 ways to grow your business that I discussed earlier:

1. You gain more customers.
2. You get your existing customers to spend more money with you.
3. You get your existing customers to purchase more frequently.

Immediately after the front-end sale is one of the absolute best moments to get them to do #2...spend more money with you. Because they already trust you and/or your company. They have their credit card whipped out. So they have money to spend. Plus they are a proven buyer in your niche market, which is the most important factor. That makes it the perfect moment to sell to them again.

Most marketers find this a strange strategy, as they don't like to upset their newly made customers and some are afraid that customer may want an immediate refund.

They're afraid of alienating their new customer, afraid to piss them off.

Well, get this. That way of thinking is absolutely wrong, UNLESS...  
...you offer them something that they're not interested in!

Suppose your new customer just bought a product from you that teaches them how to grow more delicious and bigger tomatoes. You then offer them another product that teaches them how to make money with private label rights (PLR). That may bomb!

Because they're interested in tomatoes, not PLR products, even if it is about growing tomatoes. In general, tomato growers aren't marketers.

Yes, some of them might be interested in Internet marketing, as long as it is about tomatoes, but you want to be as specific as possible. That means targeting them and match your offer to their desires, wants and needs as closely as possible.

Since they're growing tomatoes, they might be more interested in creating a local market for their homegrown products.

You have to test this and/or do some research to see what exactly they want, but believe me, it'll pay off very nice in the end.

## Your Online Marketing Funnel System

Offering a follow-up product in your welcome email is a good idea, because...  
**...it's the one email you KNOW they will read!** That's another big reason for this strategy!

In your follow up plan, you also need to anticipate their possible questions and reduce support tickets.  
Of course, if applicable, there's a link to the download page or membership site in your welcome email. In there, you will also want to include a support link.

Another thing that is very wise to include is a list of (or a link to a page containing) frequently asked questions (FAQs) and their answers.

Being new customers, they may have questions. Never forget, that for you, as the product creator, all the information provided is clear, because you're in it to your neck. Lots of marketers assume that the same must apply to their new customer, but that's can be a costly mistake to make!

Obviously you want to anticipate their questions up front and have them answered before they are asked. This is where getting good feedback really helps, which I'll talk about in a moment.

Not only does this work in your favor by reducing support tickets, but it's also works in your customer's favor too. Imagine you've just bought a product online. Do you really want to log in into a help desk to create a support ticket and wait for the answer? Huh?

I don't think so. I'll bet you would rather have the answer at your fingertips and so would your new customers!

These little things make a difference in the relationship you build with them. Of course you'll never know for sure at this point, but one of those customers may value the comfort of doing business with you and become one of your best "A" list customers!

### **The Importance Of Testimonials And Feedback**

Now that we have setup a plan to make more profits, it's time to get testimonials, case studies, and specific feedback.

You should realize how powerful testimonials and case studies are. It's social proof of what you do or how good your products are. You can toot your own horn, but it's far more believable if others do that. It will boost your credibility

## Your Online Marketing Funnel System

when you add them all to your your marketing materials, which will lead to more sales in the end.

I've already written about how to get testimonials and case studies in [How To Write Great Email Follow Up Series](#).

Feedback is of the utmost importance too. So don't forget to ask your customers about the ease of use of your product, the ordering and fulfillment process, everything. Here's why.

For every single customer who tells you about an issue or pet peeve, there are probably 10 or more that are thinking it, but don't tell you. So when you DO get feedback, you have an opportunity to address each concern, or at a minimum explain it in your FAQ section - which you'll send them in the welcome email, remember?

But here's what you really want to get from the feedback: **The Golden Nuggets.**

These are the types of related products they'd be interested in, or product variations that sort of thing. For example, the immense number of Wordpress plugins shows how important product variations are.

Getting this sort of feedback creates new chances to improve and expand your product line.

### **Ask Them For Referrals And Make It Worth Their While**

I guess you do know about "tell-a-friend" scripts. If not, these basically handle the technical part of offering your customers and prospects an "ethical bribe" for referring other people to your website, where you have the chance to sell them or have them join your list.

I've tested them and have had some mixed results. They DO work, but unfortunately a lot of the emails generated by these scripts get caught in the various spam filters.

You should test them and see how they work, because in some non-IM niches they do exceedingly well. But unfortunately they are increasingly regarded upon as spam these days.

That's a real shame, as the concept these scripts are based on, still is powerful. The key is to reward the referrer AND the person he is referring.

Famous marketer Dan Kennedy describes a twist of this concept. It involves sending your customers a letter with 2 gift certificates: one for them to use, and one for them to pass along to a friend (or even better, 2 for them to pass along to 2 of their friends).

## Your Online Marketing Funnel System

There are all kinds of ways you can use this for holiday and other promotions, but the concept is the same: you reward your customers and the people they refer.

If you leave this technique out of your email follow up series, you're missing out on an unrealized profit center for you.

Finally, don't forget to overdeliver. Provide unannounced bonuses to exceed your customers' expectations.

Back in the nineties of the previous century I learned this from Marlon Sanders. He called it '**dollars** (the value delivered) **for dimes** (the price paid)'.  
'

Everybody loves to receive a gift they didn't anticipate. Unannounced bonuses after they've bought gives them even greater value and demonstrates your willingness to overdeliver on your promises.

It adds customer loyalty and reduces refund rates. It also increases the likelihood they'll refer others to you, as well as recommend and endorse you.

The "bonuses" can even be in the form of additional content to help them with product consumption. For example, a video showing them how to do a certain task or get a desired result by using your product.

Just keep this in mind when you provide these bonuses:

1. **Make sure the bonus is relevant to the product they've purchased.** Just like back-end sales, you don't want to bombard them with stuff they don't want or need, even if it is free. The best bonuses are ones that allow them to get even MORE value out of the product they purchased from you.
2. **Your bonus should stand on its own as a product.** It should contain real value and be something you could sell outright. Giving them junk won't fool them into thinking you're giving them "something extra." If anything, it'll make them think twice about you and your product. In fact, crap bonuses can actually reduce the perceived value in the product they paid for and increase refunds.
3. **The timing of when you give extra bonuses should be tested or at least well-reasoned.** For example, do you think it's better to give them valuable bonuses they don't expect before or after you ask them for a referral? (Answer: Both, but give your better bonus first!)

So....

## Your Online Marketing Funnel System

That's your Marketing Funnel System.

You now know what it is, how it works and how to set it up.

But that's not all...

I guess by now you absolutely would like to see and use some examples, right? Better yet, the **EXACT** emails that **generated a 6 figure list**.

As you just have read in the paragraph 'Before They Buy: Your Lead Generation System', I have crucial information from **John D. Ritskowitz**, a well known and highly successful copywriter.

While John makes his money writing copy and sales pages for the best selling marketing experts on the Net, he also produced a great product called Copywriters Toolkit, in which he explains how he writes million dollar copy.

Whether or not you want to buy that excellent product is your choice. I can recommend it wholeheartedly.

John already sold many copies using outstanding strategies, that I described in this guide.

He was so successful, because he set up a

- pre-sales, 8-part email series,
- 5-part post-sales email series and
- 7 part pre-launch notification sequence.

Guess what?

I have these emails!

Not only that, I also have John's explanation on why they work so well!

Now you can have them too, because John allowed me to resell them!

So, if you're interested to discover exactly how a successful Internet marketer is selling his main product, you may want to buy these email series.

Go [HERE](#).

Wishing you all the success.

*Case Stevens*

## Your Online Marketing Funnel System

Overview of resources mentioned in this report:

[Article Marketing Guide](#)

[Email marketing](#)

[The best testing resource](#)

[Why online presence is business](#)

[Create a business plan](#)

[How to get your message opened immediately](#)

[List building](#)

[One time offers](#)

[Great Email Follow Up Series](#)

[The Exact Email series](#)

Other resources you may find valuable:

[4 Steps To Discover Your Unique Selling Proposition \(USP\)](#)

[How To Create The Perfect Elevator Pitch](#)