

Spend Less & Profit More

**Test, Track And Tweak Your Way
To The Ultimate Sales Funnel**



**By Tim Erway
Co-Founder,
The Copywriters Guild**



<http://www.TheCopyWritersGuild.com>

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You've heard the old joke.

One guy stops another on a New York street and asks, "How do I get to Carnegie Hall?" The response... "Practice!"

Practice, practice and more practice is the answer to many of life's questions.

**On the other hand, the answer to most marketing questions is...
"Testing."**

You hear it all the time.

Visit any marketing forum and just search for the word. You'll see gurus telling novices. Novices telling Newbies. And Newbies parroting it to yet other Newbies.

Everyone has the mantra down pat.

- Is this headline any good? **Test it.**
- Will this product sell at this price? **Test it.**
- Does my copy just plain suck? **Test it.**

Everyone says it... and everyone else pretends they know exactly what it means. Well, I'm going to tell you something that might not sit well with "everyone."

Many marketers, who sing the testing song, have no idea how to do it effectively. Others don't even practice what they so loudly preach.

The sad fact is... most marketers and even multi-million dollar corporations are leaving boatloads of money on the table... all because they don't do enough of the right kind of testing.

Don't believe me? Just today I spoke to a marketer who made three minor changes to his website and tripled his conversions.

Yes... I said TRIPLED. Two words in his headline, the placement of his opt-in form and the addition of a strong "NO SPAM" policy. That's all it took, and he discovered using

the simple tactics we are going to cover in this report.

Back in 2002, I had a website in the highly competitive “debt” market. Through testing, tracking and tweaking, I turned a 12% lead conversion ratio into 39%. Now that may not sound too impressive to you, so let me add the kicker... The traffic source was Google Adwords, and our next highest converting competitor was right at 18%.

We were more than doubling the conversion rate of our closest competitor.

And I’m no rocket scientist. I’m a marketer... just like you.

My success came as a result of watching what was working for others, and improving upon it. I did this by testing my ads, tweaking my sales copy and refining my sales processes.

I don’t know too many other marketers who can say they hit a million dollars in sales the first 15 months in the business.

And I don’t say that to brag.

I say it because I couldn’t have done that if I hadn’t tested, tracked and tweaked my way to the top... and in the process, built a pretty darn good sales funnel to boot.

I have no doubt that you can do exactly what I did. You can send your sales skyrocketing, without spending a dime more than you are now.

Even more exciting is how easy it is. Once you get these simple strategies ingrained in your head, you begin to look at every website in a whole new way. You see dollar signs.

You experience the thrill of waking up in the morning to discover you’ve made twice as much as you did yesterday. Do you have any idea how that feels?

I have no doubt that you will.

But let’s start by hitting on the basics.

The Sales Funnel

Think of the sales funnel like the funnel you have in your kitchen, with a wide mouth and narrow throat.

Like how your kitchen funnel catches as much liquid as it can in its open mouth, then guides it effortlessly down the slim throat into a jar, the sales funnel catches potential

customers and guides them effortlessly to the eventual sale.

The “**Ultimate Sales Funnel**” not only constructs a wider mouth, but can guide your buyer through to a sale, not once... but over and over again.

This means you spend less... and pocket more money from the same customers, through back-end products, cross-sells and up-sells. And you do it for the life of the customer.

And this is important, because...

To Grow Your Business and Increase Your Profits, You Must...

- *Spend less to get customers.*
- *Profit more with the customers you get*

Common sense, right? Pay less for more new customers, and get your existing customers to buy more.

But... so many business owners just don't “get it.”

Understanding this simple concept is “**the secret formula**” that will make all the difference in the world in your success.

This formula can be applied to every business, online or off. And it's especially important in the more competitive markets.

When you crack the code to spending less to get customers and profiting more from them, you're now positioned to...

1. *Get more exposure in the market place*
2. *Out-manuever your competition*

3. Maximize your return on investment

Bottom Line: If you master this formula, your competitors will scramble to keep up. Sure... they'll try to duplicate your results, but if you consistently test, track and tweak your sales process, you'll dominate your niche.

And if you continue to add new components to your funnel, you'll build The Ultimate Sales Funnel and OWN your niche outright!

The truly successful companies understand this concept and put in the effort needed to build their sales funnel.

And after you get through this simple but powerful document, you'll see that the effort is minimal when you consider how much more money you can make.

I'm talking about little tweaks to your sales process that can get you increases of up to 300% in your sales. This isn't a made up number. I've actually more than tripled conversions by testing, tracking and tweaking.

And so can you.

What Should I Be Tracking?

Remember... your goals are to pay less for your customers and increase the value of your customers.

To do that you need to track...

- 1. Conversion Ratio*
- 2. Visitor, Lead And Sales Acquisition Cost*
- 3. Visitor, Lead And Customer Values*

1. Conversion Ratios

Your conversion ratio is the rate at which you get visitors to take action. For example... turning visitors into buyers. Get 20 sales from 1,000 visitors and your conversion rate is 2%. Get 40 sales off that same 1,000 visitors and your conversion rate is now 4%.

Most marketers would agree that a 1% conversion ratio is decent. A 2% conversion rate is pretty darn good. If you can bump sales to 3% or more, you're a rockstar!

Increasing your conversion rate is like giving yourself a pay raise. You invest the same amount in advertising cost and overhead, but any additional sales revenue

that comes as a result of boosting your conversions goes straight to your bottom line.

How do I improve conversion?

The most effective way to improve your conversion rate is through Split-testing.

Boardroom Inc., a wildly successful information publisher, was started in Marty Edelston's basement with a mere \$5,000.

Today, Boardroom makes somewhere between 75 and 100 MILLION dollars a year. One of the keys to Boardroom's success is that they track, test and tweak EVERYTHING.

It sounds like a lot of work, but it's really simple to do.

And it works for small companies like yours, just as well as it does for big corporations like Boardroom.

Split-Testing 1- 2 - 3

If you want to maximize your ROI (return on investment), you must split test.

Creating a split test is just a matter of putting up two separate pages for each element you want to test. One is your "control" and the other is your test.

So if you are testing headlines, you would have version "A" with the original headline (the control) and version "B" with the new headline you want to test. You split the traffic to each page and track the results. That's all there is to A/B split-testing.

Setting up a trackable split-test can be done simply with services you already use, like Aweber or 1Shopping Cart. And there's really no learning curve at all. They'll even show you how to do it!

Anyway, when you find an element that converts better than your control, you keep it, then test and track the next element.

As a marketer, you should always be playing a little game called "Beat the control." You can play this game on every ad, every email and every component of your sales process. Play this game right, and you can create a lean, mean sales machine.

What do I test first?

Obviously you can't test every single word of your sales message.

The most common sense thing to do is follow the flow of your "visitor" and improve the performance for each step of the process.

If people aren't even clicking your ads, then that's probably a good place to start. Try changing the subject, wording or even the domain name for your ad.

If you still aren't getting clicks, change up your keywords or try different sources of traffic. Don't make the common mistake of relying on only one source of traffic!

NOTE: It's important to always track your metrics separately for each source of traffic. This is how you determine your highest ROI traffic.

If you are getting clicks, the next hurdle is getting them to convert (opt-in) on your squeeze page. A few elements you might want to test are your headline, bullets, and your "bribe."

Every market varies, and what works for one website or product may not always work for another. That's why testing is so important.

I've seen squeeze pages that got huge opt-in rates with nothing more than a 10 second video. Others where the video decreased opt-ins. Still others where the perfect combination of written copy and a video message made all the difference in the world.

The only way to know what will work for your offer, is to test.

Remember... you need to get people into the mouth of your sales funnel. Until you do that... nothing else matters.

Once they're on your sales page, you want them to hit your order page.

From the order page, you want people to actually type in their credit card info and hit "submit."

And so on throughout your entire sales funnel. You simply need to follow the flow and constantly refine your sales process at each hurdle.

This constant tweaking is what perfects your sales letter. And begins building your ultimate sales funnel.

An important thing to remember is to not test more than ONE change at a time.

You need to be able to track exactly what helped... or hurt your conversion rate. Change too much at once and you can get yourself lost in the muck, not knowing what you did right... or wrong.

There is software in existence that will allow you to test multiple variables, but I find my most reliable results come from good old fashioned A/B split testing.

It doesn't matter if you're a huge 8 figure company like Boardroom or if you sell Mother's Day baskets through an ad in the Penny Saver. Split testing can take you from losing money, to "total market domination" in no time.

Remember the goal here is to pay the same price for your visitors, but turn more of them into buyers. Upping your conversion rates is probably the fastest and easiest way to do that.

2. Cost Per Visitor, Cost Per Lead, & Cost Per Sale

It's not complicated.

We're talking about how much it costs for you to get visitors to your site, convert those visitors into leads, then turn those leads into buyers.

Just like conversion rates, small changes to your **traffic source** can make a big difference to your bottom line.

When you are paying for traffic, especially in a cost per click environment you must always track your costs.

And knowing SOME of the stats just doesn't cut it. You need to track all your source numbers carefully.

If you're paying 25 cents per visitor from one source, and 50 cents from another source, some would foolishly believe the cheaper deal is the better deal. It could be. But with only this much data, we have no idea which source is more cost efficient.

You've heard of TMI? "Too Much Information" Well, this is the opposite. It's NEI. "Not Enough Information."

You need to know how many visitors from each source become leads. How many of these visitors opt-in on your squeeze page.

Let's say your 25 cent-ers convert at 10%. This means 1 out of every 10 visitors opt-in. You now know each of these "leads" costs \$2.50.

Your 50 cent-ers on the other hand, convert at 15%. This means each lead costs you \$3.33.

You now have a better idea of lead costs, since you now have real potential buyers for our product, from both sources. And while your 50 cent-ers converted a little better, it still looks like source number 1 with the 25 cent-ers is the better deal, because the leads cost less.

Hold on... Not so fast.

Potential buyers are not the same as actual buyers. The most important data is coming up.

The cost per sale.

If your \$2.50 leads convert to buyers at 2%, and your \$3.33 leads convert at 4%, the tide shifts in favor of source 2.

Let's say you're selling a \$100 product. Here's how it breaks down.

<u>Source 1</u>
<u>Total Ad Cost:</u> \$500
<u>Number of Visitors:</u> 2000
<u>Number of Leads:</u> 200
<u>Number of Sales:</u> 40
<u>Sales Revenue:</u> \$4000
<u>Net Profit:</u> \$3,500

<u>Source 2</u>
<u>Total Ad Cost:</u> \$600
<u>Number of Visitors:</u> 1200
<u>Number of Leads:</u> 180
<u>Number of Sales:</u> 48
<u>Sales Revenue:</u> \$4,800
<u>Net Profit:</u> \$4,200

You made a total of \$700 more while paying more for visitors!

You're thinking, "But I thought the goal was to pay LESS for visitors?"

It is. But that's where we toss "value" into the equation.

This is where it gets real interesting... and where profits soar.

Visitor Value, Lead Value, & Customer Value

Your values are not hard to figure out. It's simple math.

Just take your adjusted income (that's the amount you get AFTER paying for your traffic) and divide it by the number of visitors/leads or sales.

This concept is slightly more complex than simple costs, but it's also more powerful.

Why is value so important?

Because once you know the value of your visitors... your leads... and ultimately your customers, you know exactly how much you can afford to pay to get them.

If you knew that each of your customers, after taking a ride down the sales funnel, was worth \$500 in profit to you, how much would you spend to get that customer?

Think about that for a minute.

Successful restaurant chains... you know... the big corporate ones you see dotted around mall parking lots... spend over a hundred dollars in advertising just to get 1 new customer.

How can they do it?

They can do it because they know the value of their customer.

If you're a fan of say... Applebee's, you know 2 people can't get dinner and a couple drinks for less than 60 bucks (usually closer to \$80). And you also know that you visit that same Applebee's at least once every couple months.

So Applebee's understands that the hundred dollars they spent getting you to be a customer, is nothing compared to how much they will ultimately make from you, not just now... but next year and the year after that.

A party for someone in the office? Hey... let's head over to Applebee's. Some barbecue for Super Bowl Sunday? Let's get some of those Riblets for take out.

Talk about a sales funnel!

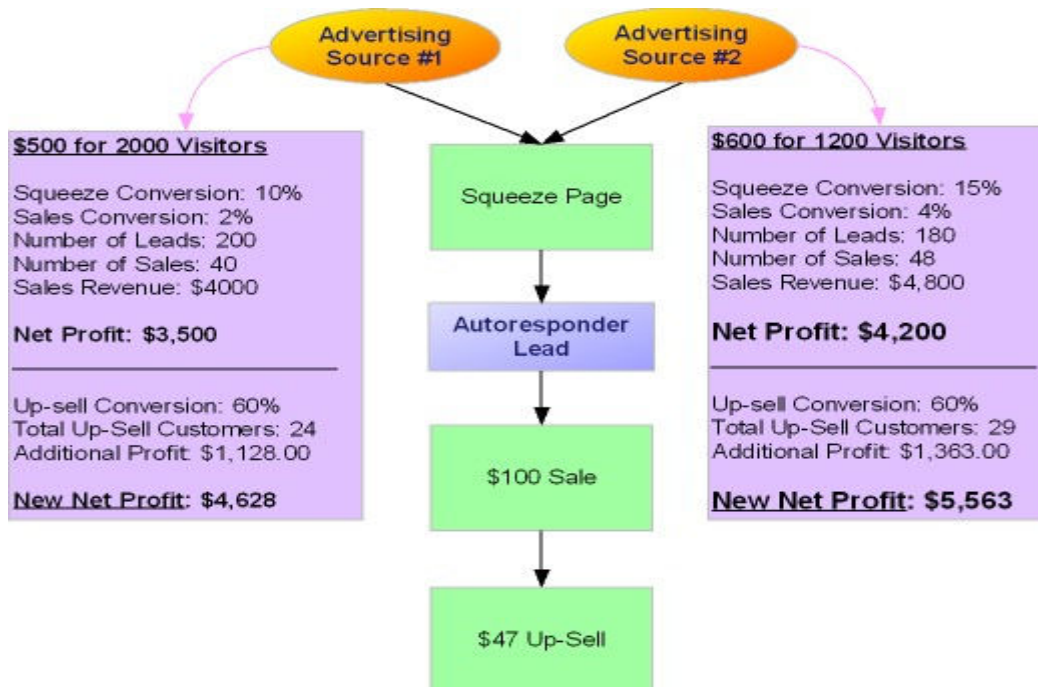
Applebee's knows exactly how much they can pay up front to get a customer, to sell to them FOREVER. They get you with the fingerfoods and cocktails, then later on they up-sell you on the office party and the Riblets.

Okay... I'm guessing you aren't in the Riblet business.

But this concept is just as powerful for your business as it is for Applebee's. This is where you introduce up-sells into your funnel. And this is where your profits really start to explode.

Take a look on the next page to see how it works:

Okay... let's get visual. Using our example from earlier, here's what happens when we add an up-sell into the funnel!



Wait a minute... 60% conversions for an up-sell?

Yep. It's actually common. Have you ever heard the term "Would you like fries with that?" If you have a targeted up-sell and it's positioned the right way, you can get as high as **even 80%** of your buyers to take you up on your offer! The result is a huge burst in revenue from adding just one element to your sales funnel.

You ever see an affiliate program that offers a 110% commission? The product sells for \$50 and every one sold, makes the affiliate a \$55 commission.

You're thinking... "How the hell can they afford to do that?"

Afford it? It's actually cheap when you think about it. They're basically paying \$5 for a very valuable customer that they can later make hundreds if not thousands from.

If I said, "Give me five bucks and I'll give you \$500," you'd take the deal. Who wouldn't?

But many marketers out there – the same ones competing with you – haven't figured this out... yet.

Once you master the tracking, testing and tweaking of your sales process, and the building of your customer value, you've crossed over into a whole new world of profits.

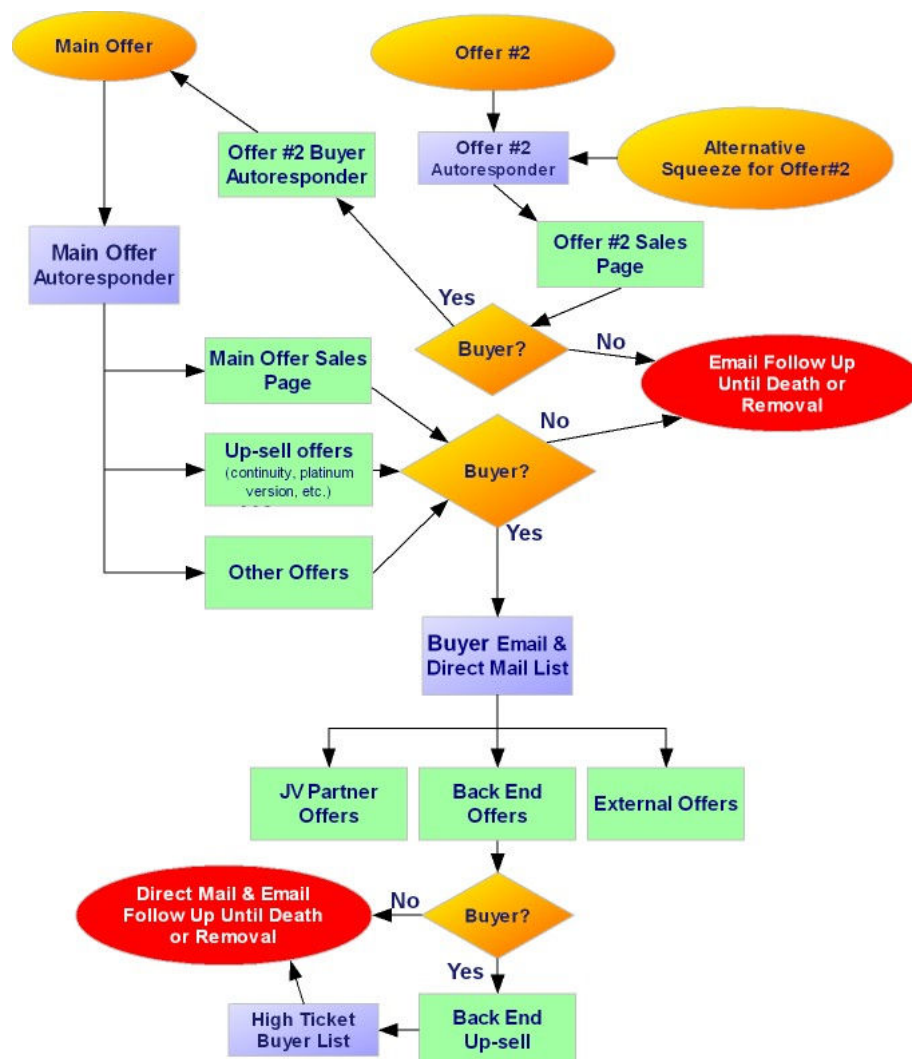
You're no longer eating at the kids table.

You're dining with the adults.

Hold on... we're not quite done yet.

Here's where things get really interesting. And the profits get ridiculous.

The Ultimate Sales Funnel



Just imagine how much money you're leaving on the table without a fully developed sales strategy... The Ultimate Sales Funnel.

Okay, you put in a little time to nail down the basics. Your advertising strategy is no longer guesswork... it's (dare I say) Science.

Next you have to fill in all the little boxes in the sales funnel. And each time you do, you're looking at instant increases in your profits.

Now imagine one of those boxes is a continuity program like a membership site. That's like putting a quarter into a slot machine and having it pay off every month for the rest of your life.

The Ultimate Sales Funnel Recap

Here's a quick recap of what we've covered.

1. Remember your goals: To reduce the cost to get customers and increase the amount of profit you make from them.
2. Use split-testing to refine your sales process and increase your conversion ratios.
3. Track and measure the cost and values of your visitors, leads and sales by source to discover your highest ROI traffic sources.
4. Put most of your advertising money into the ads that are working, but set aside a small budget for testing new methods.
5. Master the numbers and get your marketing down to a science.

Obviously I've not been able to include every aspect of the Ultimate Sales Funnel. I wanted to keep this document short and sweet, while still exposing you to the big picture.

You'll want to know more. More about monetizing every inch of your site. More about increasing your profits through revenue modeling. More about exploiting the gaps in your competition's business model.

More that will make your bottom line soar.

I'll be sharing all that in the upcoming weeks, so keep an eye out.

If for any reason someone passed this along to you, please sign up for the articles list (that's where this came from) at <http://www.thecopywritersguild.com> I'd love to find out what you'd like to learn more about, and there's also a series of six free special reports from David Garfinkel about how to improve your sales even more with great copywriting.

To your success,
Tim Erway