

Funnel Vision: Mastering Back End Thinking

Back end thinking is not just putting in place a few strategies and tactics: It's really more about changing your mindset so it comes to live permanently in a place of success. It's always seeing the overview... and where each step will lead you. And back end sales are what position you perfectly to tap into the goldmine of repeat customers.

Back end selling occurs when you sell to customers who have already purchased from you. They've taken that huge leap of faith from subscriber to customer. That means they have already validated their own judgment -- they've decided they trust you, so until you give them reason not to, they will continue to do so almost blindly. It's a commitment on their part, so honor it and enjoy (you'll have earned the right!)

What that translates into is pretty simple: **It's easier to sell to an existing customer than to a new one.** Every time!

Back end thinking means that you are always looking for opportunities to maximize your profits after you've made that first sale and beyond. You will get to know (and use):

- **Cross-selling**
- **Seasonal offers**
- **Anniversary offers**
- **Membership sites**
- **Affiliate offers**
- **Joint Venture offers with celebrity-status experts**
- **Add-ons**
- **OTOs (one-time offers)**
- **Deluxe physical products**

It can also mean selling really high-ticket items -- the one-on-one coaching, for example... The exclusive, in-person "mastermind retreat"... or the "master classes", consisting of a small number of high-paying clients.

Back end thinking means even more than that, however: It means making sure that you have no real competition -- that your long-term customers aren't even tempted to go elsewhere, because they're convinced that no one else could supply what they need as well as you do. That's a tall order, when you consider that such a customer attitude has to be based on:

- Past experience
- Success with your products or services
- Trust

It also means thinking of your back end sales, strategies and services *before* you ever plan that first freebie. By concentrating on the type of repeat customer you want, you should have a better idea of what you need to offer at the funnel mouth, where it all begins.

Step One: Growing your Sales Funnels

So far, you may only have been able to visualize one sales funnel, but now take your back end offers and services -- your "big ticket" items from that funnel -- and try them out near the beginning of your next funnel. Where can you go from there? How does that look to you, when you imagine yourself at that level of income? Does it feel comfortable? Are you excited... or afraid?

You can take your subscribers on a journey they themselves never envisioned, opening up new horizons with each new campaign.

You can also use the sales funnel model to **expand your own thinking in other ways.** For instance, you can apply it to:

- Promotion
- Advertising
- Product development -- and more!

"How does that work?" you ask. Well, like *this*...

Funnel One: Promotion

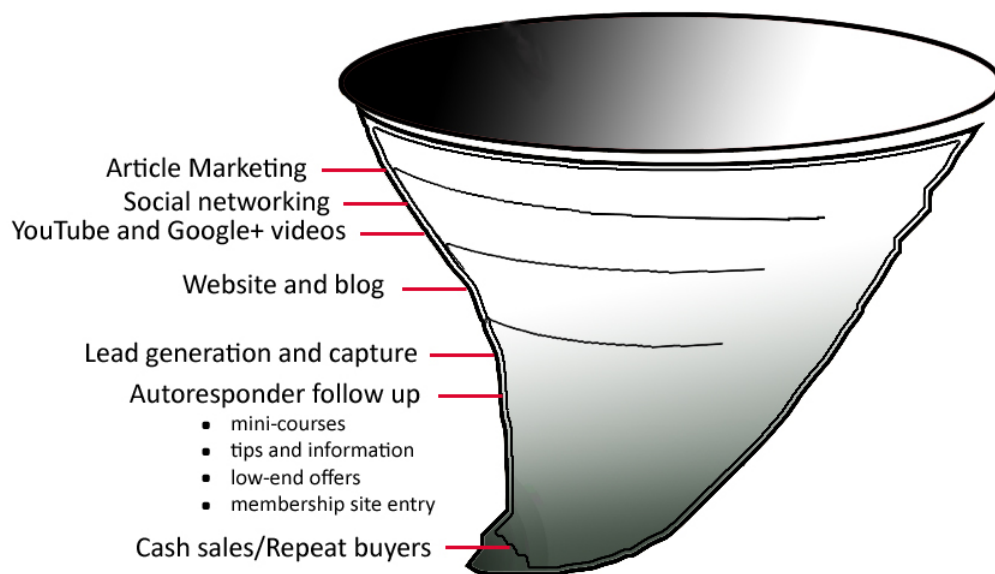


Fig. 1: Promotion Sales Funnel

Here we see the funnel model applied to the whole process of promotion and lead capture. Tactics such as **article marketing**, **social networking**, and helpful **YouTube** and **Google+ videos** all circle like cowboys round the wide mouth of your funnel, driving prospects deeper in, to see what you and your products/services are all about -- and eventually take the plunge and buy.

But you have to drive them in a focused, tireless manner, because it's a big, fat myth that anyone will ever say, "Hmmm... she sounds interesting. I wonder what makes her tick?" unless they have a strong incentive to do so. (I.E. "What could be in it for me, if I check out her site? Does she have what I need?")

You know where you want your prospects to end up. They don't -- yet. And when they do, it's best if they think they ended up there all on their own.

Their first real stop through your Promotion funnel should be your **website** or **blog** -- the one that educates them about your product, showing them clearly why they need it. In fact, your "website" should often be nothing more than that all-important landing page.

That website and/or blog should contain a web form, link or button to get your first sample or gift -- the one that will give them a delectable taste of what you can do for their hobby, business or dream.

But, of course, you don't stop there: You keep up the momentum with:

- **Follow up emails**
- **Mini-courses**
- **Tips**
- **Industry insider information**
- **Teaching tidbits**
- **More free, paid and affiliate offers**

-- all focused on what can best enhance their journey's pleasure and ease. These steps all lead towards sales, but make no mistake: It's also endless (but honest) promotion. You're simply pointing out **what they need to next** and **how to get it** -- all while showing them why every offer you present will make their lives just that much better.

Finally, your focused and regular email follow ups do their job, cementing your relationship with each subscriber and turning them into loyal, happy, **repeat customers**.

Next, you can create a funnel dealing with your ideal advertising cycle...

Funnel Two: The Advertising Cycle

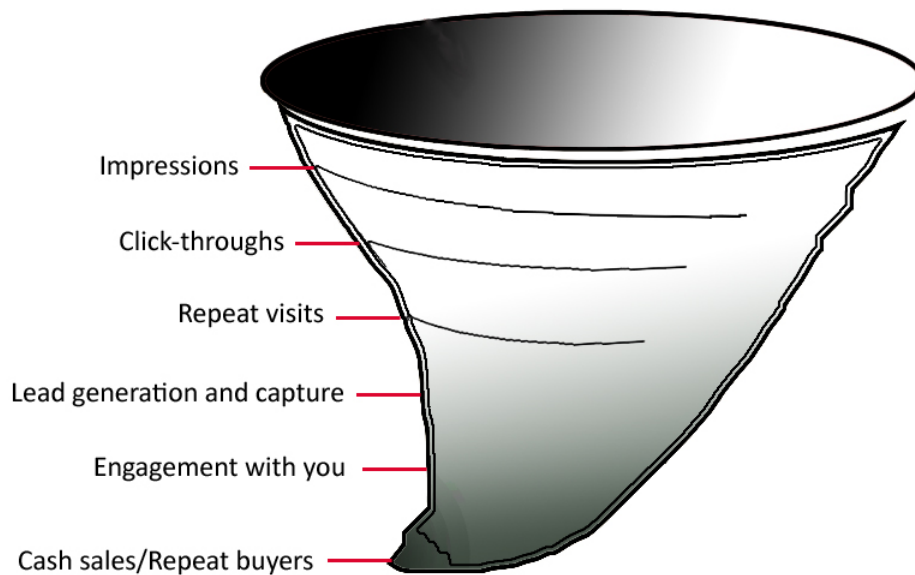


Fig. 2: Advertising cycle

Create a funnel for your advertising cycle, to help you keep an overview of how your ads perform -- and how much you want to "weight" the balance of your advertising towards either **impressions** (how many people are served the ad by your advertising network) versus **click-throughs** (how many people actually click on your ad link, after viewing it, and visit your actual landing page).

Serving up ads **by impression** is best when you really aren't as sure as you'd like to be, about your target market; or of whether or not your offer is going to go viral. CPM (pay per impression) is great for branding (implanting your ad, and branding slogans and logos into your prospects' minds through **repeated exposure**). Selecting CPM advertising is also sometimes helpful if you are brand new, and you don't already belong to forums or mastermind groups or Yahoo groups or Google+ circles; and you only have three Facebook friends (and one of them is your mother).

On the other hand, serving up ads based on **click-throughs** is a great way to kick-start any marketing campaign --whether you're new or not. In fact, most seasoned marketers wouldn't dream of launching a new campaign without some form of PPC (pay per click) advertising to parallel its pre-launch and launch phases.

Impressions eventually do lead to click-throughs. It's just up to you to work out whether or not you actually need the "impressions" phase or the PPC phase.

A good rule of thumb, if you're brand new to paid advertising? Don't spend more than a dollar a day (that's \$31 per month). With many ad networks and social media sites that

offer advertising (including Facebook) you can set your daily limit, avoiding the risk of huge bills on your credit card at the end of the month. But if you go that route, you'll also need to keep a careful eye on how well your ad (and keywords) are doing. Don't be afraid to tweak your ads, one word or graphic at a time.

- Try a different headline
- Use different adjectives
- Try a different graphic

And do consider ad networks that will rotate a selection of ad versions for you -- then track how each version is doing. (Pull the ones that don't convert well, when you're sure of their performance.)

You can also apply the funnel model to advertising in a different way...

Funnel Three: Advertising Choices

Here are basic advertising choices presented in funnel format; starting with the least expensive and ending up closer in value to the type of clientele you wish to attract (back end repeat buyers). *Always* balance the cost of advertising against the value of your offer... and the profits you project you'll get back.

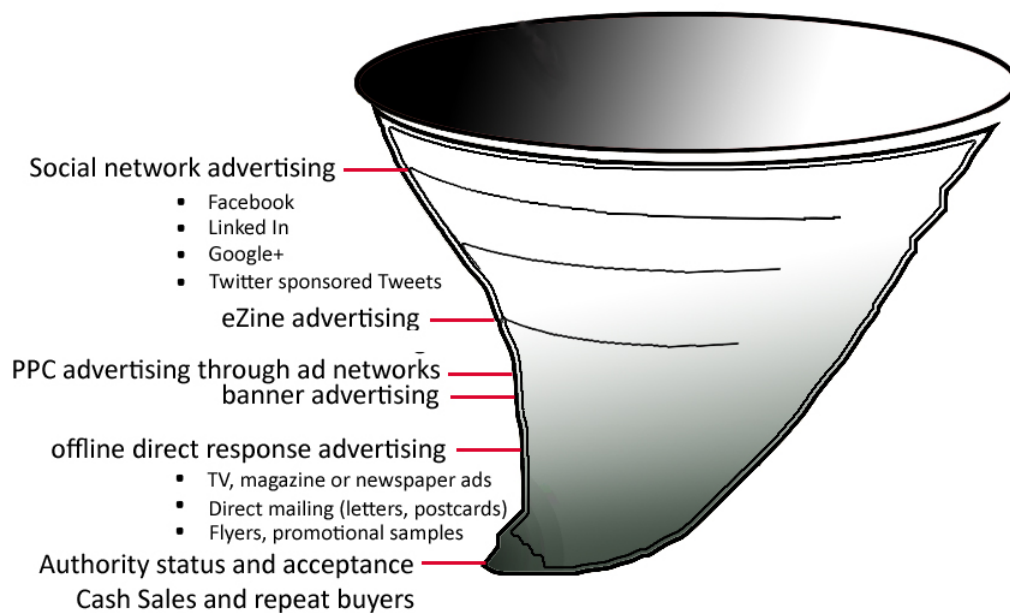


Fig. 3: Advertising Choices

You will see that as your funnel narrows and converts subscribers to customers to back end repeat customers, so too does your advertising costs and types change. You wouldn't want to pay \$3,000 for a glossy magazine ad until you're making those high-end sales for your \$3,999 individual coaching packages or retreats... paralleling where customers are in your sales funnel.

Step Two: Understanding the Exception to the Rule

The only place you'll ever see this funnel model **inverted** comes when we view the relationship between **your customer** and **your price points**.

The smaller and more tightly your funnels narrow, the bigger your customer grows in importance -- you've stripped away all the "fat" until that customer is a lean, mean, buying machine, utterly focused on his goal (the goal you helped him reach).

The tighter his focus, the more important your offerings become to him. He now relies heavily on you, and you've become more of a friend and mentor than a seller of goods or services.

You've both built up a relationship... one in which the highest compliment is when the pupil becomes the master... but he'll always respect and value you as a joint venture partner, expert and teacher.

Because your offerings are now utterly crucial to him, it's here, at the narrowest, tightest part of the funnel, that your prices can exponentially expand. He values your services highly, and is willing to pay, because he's seeing high end results.

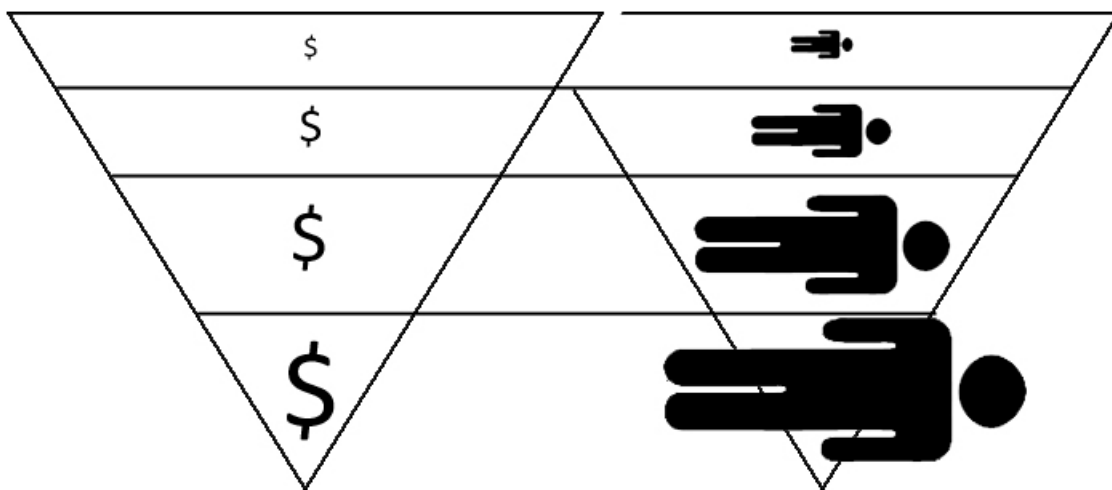
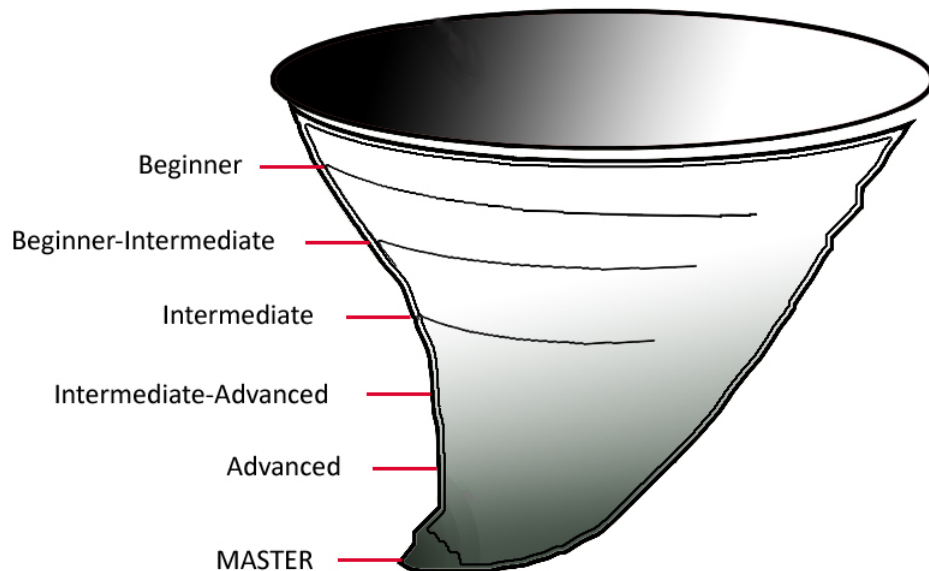


Fig. 4: Inverted Price Point Funnel

But let's finish off with one more parallel funnel example...

The "Make-Your-Own" Funnel

Think of funnels as a visual way of sorting parallel "piles" into "beginner... beginner/intermediate... intermediate... intermediate/advanced... advanced/master".

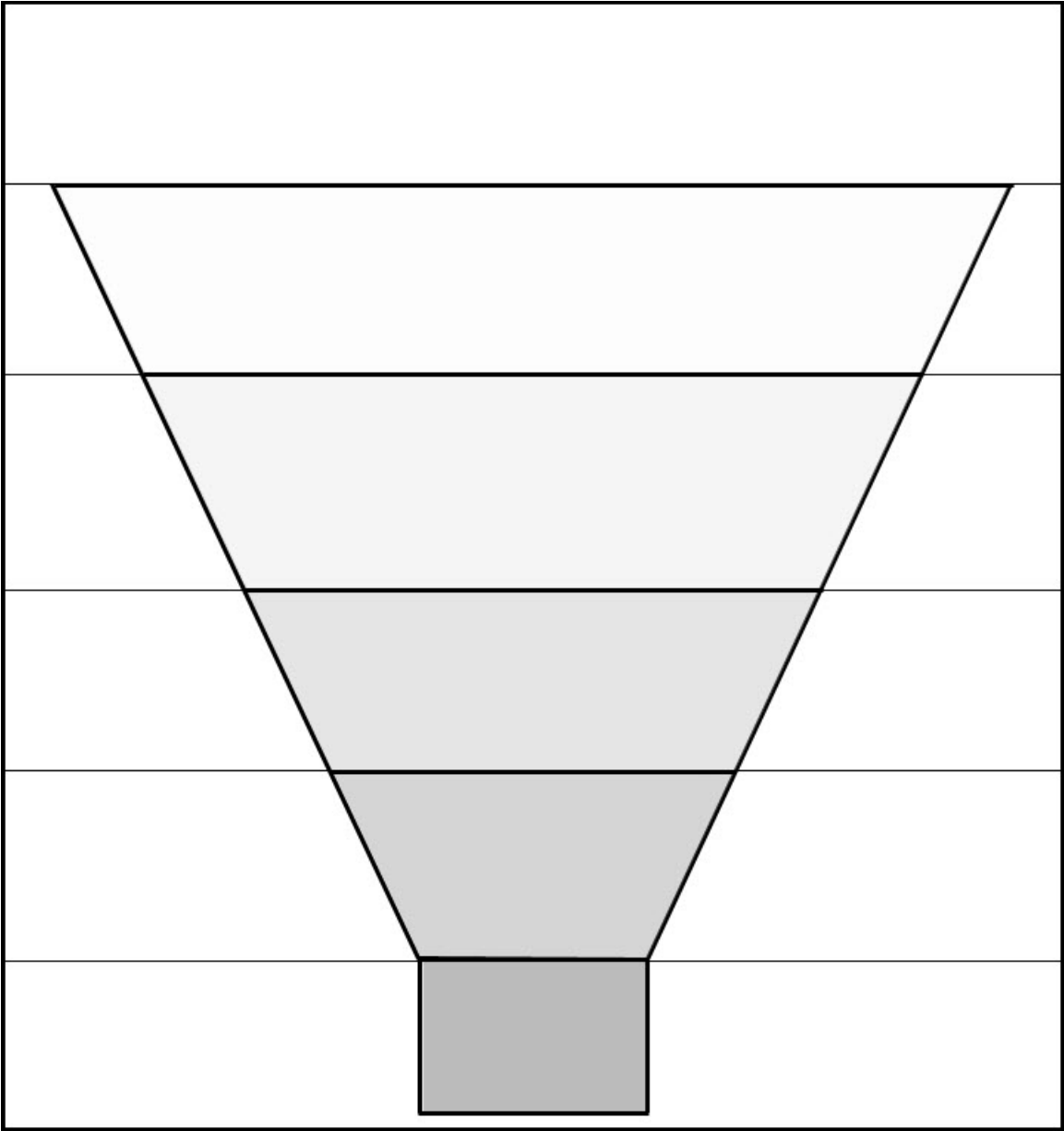


Or (if you don't mind a more prosaic example) **sorting laundry**. Before you throw a pile in the washing machine, you want to make sure that each wash is worth your while, so you're not wasting energy or hot water (or coins, if you do your laundry at a laundromat!) But you don't just throw it all in together. You sort your piles into whites, reds, blues, darks, towels, cold water, hot water... (Are you imagining the funnel for this yet? I don't *really* have to draw one at this point, do I?)

Okay, so that's just a "fun" example and not a true funnel... but it's just proved you're getting the hang of funnel thinking. And by creating the habit of thinking now in terms of funnels (and grasping how all your business strategies and activities parallel your sales funnels), you're training your brain to "sort" all your simultaneous marketing strategies, efforts, products and organization into parallel "piles"... so that you end up always knowing where the most valuable, high end sales will be and how this relates to your marketing budget and strategies.

On the next page, you'll find a handy worksheet with a very basic, blank sales funnel graphic. Print out several copies of that one page and use it as a template for **brainstorming** sales funnels and business plans. You can use it for **sales funnels**, **customer psychology**, **social networking**, **advertising**, **tracking and analysis**, **ROI measurement** and whatever other type of funnel model might be helpful in planning your business goals.

Funnel Title: _____ Date: _____



NOTES:

Step Three: Making Sure you've got the Bigger Picture

Another advantage of thinking in terms of parallel funnels: It will become much easier for you to think of expanding your business beyond that first, simple sales funnel. You'll see how, as your back end customer base narrows and solidifies, you can add more high-end funnels that **begin where your last one left off.**

What the funnel model does is help you think in "overview mode", rather than zeroing in on small details and getting lost. (That's why it's been around since St. Elmo Lewis invented it over one hundred years ago!)

It lets you keep an eye on that prize, valuable customer... the one who **has already bought from you**... and nurture and cultivate his business to your profit and his gain.

Think of it this way: If you only ever sold him your \$27.00 e-Book after he joins your list by signing up for your initial freebie, which would be a stunning waste of sales potential! Besides, you may have actually spent \$30 per unit developing that e-Book, when you tally up your modest first sales... and that's a loss; not a profit!

But if you cross-sell him a related product to enhance the value of your own (stand-alone) product for \$67, now you're entering into profit country. Especially as the margin between your costs and your profits grows wider with each product or new service.

Present your back end customer with one-time, exclusive offers that he can only get from your one-day-only, exclusive, subscriber email. Present another OTO when he accesses his sparkly new membership in your graphics site ("You'll only see this page once..." "No, thanks, Bill. Send me straight to the main membership page...")

If he's enjoyed the new, free video you've just let him access via his subscriber email, let him know he can purchase the entire boxed set as a physical product (along with software) for \$397. Give him the option of purchasing either software or physical product only, if budget is still a consideration for him at this point. (Just make sure the price of both single products separately adds up to an amount slightly greater than your \$397 package deal, as an incentive to make him reconsider the latter.)

And once he's bought that first paid product or two, it's time to think of adding a free forum or a mix of free-and-paid membership sites to his mix.

Oh. And you should always add group mentoring or coaching, any time he's past halfway down your funnel. (Add individual coaching when he's at a level to appreciate it -- and pay you what you're worth, for getting him that far!)

Step Five: Revisiting Exit Strategies

Everything has a life cycle: And that includes sales funnels. Remember that even at the back end, there is going to be an exit point some day. (We spoke earlier about the student becoming the master, remember?) And people -- even quite devoted ones -- will leave at intervals during their sales funnel journeys

Some exits you can prevent -- by identifying bottlenecks and problems and fixing them; by sweetening the pot with a valuable add-on, et cetera or adding a new service that sets you far above the competition or matches the new level of expertise your customer has gained -- but some exits you can do nothing about. Peoples' health changes; family circumstances change. People lose jobs, or find another hobby or business venture they become increasingly more passionate about.

Anticipate every eventuality, take note of what sort of exit situations you run into the most -- and plan for them with your next campaign, so you're collecting money (with their thanks) even as exiting customers are rushing out the door.

Other ways you can sometimes add value to your funnel and forestall exits:

- Once you've made that initial **product** sale, don't be afraid to insert services into your funnel "mix" (and vice versa)
- Share your own methods and secret resources, once they're firmly hooked. (Membership sites or mastermind forums are great, for that purpose.)
- Hire more experts, to provide your back end clients with even more value. Introduce guest coaches; give them access to your web designer or graphics designer;
- Partner with your back end clients. Support them in their own start up efforts. Show faith in them. Help them succeed.
- Reward them for being faithful customers. Send special discount coupons; give them deals on services. Even send little snail mail gifts on their birthdays.

Once you've truly grasped "funnel thinking" and you're properly aware of the profits to be made after that first sale, you won't spend months agonizing over creating that first freebie. Yes, you'll want the most stunning value possible from it -- but you'll put it into perspective as an entry-level part of your long-term business plan... to profit from back end sales and happy customers.

To your success (and your customers' too!)

ASSIGNMENT:

1. Print out the sales funnel sheet (at least five copies). See how many funnels you can already create for aspects of your business.
2. With the final blank sales funnel worksheet, brainstorm and create a fully-loaded sales funnel for the sign up offer you've already decided to create. (Remember, it can be changed! This is just a brainstorming exercise.)

Choose from:

- Cross-selling
- Seasonal offers
- Anniversary offers
- Membership sites
- Affiliate offers
- Joint Venture offers with celebrity-status experts
- Add-ons
- OTOs (one-time offers)
- Deluxe physical products

And any other types of product, service or offer you think your unique customer would jump at.

3. Brainstorm at least two more potential sales funnel (each one beginning where the previous one left off, price-point wise). Keep them in your "back pocket" for further down the line.
4. Make sure you have an active Autoresponder subscription and at least PayPal set up ready to roll.
5. Plan your first real sales funnel -- and start working on your first signup incentive and paid offer! (Remember to set up affiliate resources at the same time.)