

Anatomy of a Sales Funnel



**HOW TO LEAD YOUR PROSPECTS
FROM AWARENESS TO CONVERSION**

ALL RIGHTS RESERVED. No part of this report may be modified or altered in any form whatsoever, electronic, or mechanical, including photocopying, recording, or by any informational storage or retrieval system without express written, dated and signed permission from the author.

AFFILIATE DISCLAIMER. The short, direct, non-legal version is this: Some of the links in this report may be affiliate links which means that I earn money if you choose to buy from that vendor at some point in the near future. I do not choose which products and services to promote based upon which pay me the most, I choose based upon my decision of which I would recommend to a dear friend. You will never pay more for an item by clicking through my affiliate link, and, in fact, may pay less since I negotiate special offers for my readers that are not available elsewhere.

DISCLAIMER AND/OR LEGAL NOTICES: The information presented herein represents the view of the author as of the date of publication. Because of the rate with which conditions change, the author reserves the right to alter and update his opinion based on the new conditions. The report is for informational purposes only. While every attempt has been made to verify the information provided in this report, neither the author nor his affiliates/partners assume any responsibility for errors, inaccuracies or omissions. Any slights of people or organizations are unintentional. If advice concerning legal or related matters is needed, the services of a fully qualified professional should be sought. This report is not intended for use as a source of legal or accounting advice. You should be aware of any laws which govern business transactions or other business practices in your country and state. Any reference to any person or business whether living or dead is purely coincidental.

Copyright ©

Table of Contents

Chapter 1: What Is a Sales Funnel?	4
Chapter 2: How to Build the Perfect Marketing Funnel	11
Chapter 3: The Top of the Funnel	14
Chapter 4: The Middle of the Funnel	23
Chapter 5: The Bottom of the Funnel	30
Chapter 6: Qualifying Leads	35
Chapter 7: Tracking Your Market Funnel Metrics	39
Chapter 8: Finer Points	44
Final Thoughts: A Solid Sales Funnel Will Explode Your ROI	58



Chapter 1: What Is a Sales Funnel?

A sales funnel is simply the journey that your prospect takes from finding out about your product to actually making a purchase. It takes them from not knowing your business exists to making a purchase and becoming a customer and beyond.

There are four basic stages of a good sales funnel:

- Awareness
- Interest
- Desire
- Action

Before we jump into the specifics of the funnel, let's take a minute to talk about why a sales funnel is such a good idea.

The Difference Between Inbound and Outbound Marketing Concepts

Let's say our friend, Larry has a digital software product that he spent the last 2 years building and perfecting. Now it's time to get some customers to buy his product.

Larry decides to hire 8 sales people to start cold calling people off of a lead list he bought online. The sales people have no idea if the people on this list are in the market for this software or even have a need for it. They close less than 1% of their sales because they haven't qualified any of their leads.

Stella, on the other hand, has also created a digital software product but uses an inbound marketing strategy to

propel her business into the stratosphere.

First, Stella uses SEO optimized content on her website's blog to bring organic search traffic. She also writes a guest blog post for a popular digital industry website which is about problems facing the industry, not her product. Because at this stage of the funnel, she just wants to make people *aware* that her brand exists.

Stella also joins some specific groups on Facebook where she can offer value to people who could become leads for her. She also sets up some PPC ads for Facebook targeting people who belong to these groups or groups like them.

Offering value to people means answering their questions or linking an article specific to the question they are

asking without expecting anything in return. We'll talk more about this later.

When prospects visit her site, she has an opt-in landing page where they can sign up for a free ebook or white paper.

The information used to sign up for the freebie is then sent to her team of 2 sales people who reach out to the prospects to see if they can provide them with a product demonstration. Their close rate is between 30–50% because they are contacting qualified leads.

The sales funnel is a journey and you are the tour guide. Every business/product is different, so your funnel may not be the same as Stella's but some facts remain true no matter the business. **With a solid marketing funnel, you can spend less**

time and energy on cold leads and have a greater ROI.

The term funnel is just an easy way to visualize the sales process you set up for your customers.

The top of the funnel is for the **awareness part of the funnel**. This could be a blog post, Facebook ad, or Pinterest pin, etc. It's how the consumer is introduced to your product, service, or brand.

The middle of the funnel is for **interest and desire**. This stage is for generating interest in your product and giving the lead more information. Nurturing leads is critical to the success of your funnel.

The bottom of the funnel is where your qualified lead **makes a purchase** and becomes your customer.

The funnel doesn't always stop there. Keep nurturing your customers after the purchase for cross selling, good reviews, and word of mouth advertising. **You want your customer happy for the entire process, even onboarding.**

Having a concrete understanding of the different stages of the marketing funnel and knowing how to nurture your leads at each stage will increase conversions and build your business to levels you didn't think possible.

Let's dive into each layer and how to utilize them to your full advantage.



Chapter 2: How to Build the Perfect Marketing Funnel

Technically, there's no such thing as the perfect marketing funnel. There are so many different combinations and different types of businesses that **no one approach is perfect.**

One important thing to understand is the process the consumer goes through before making a purchase, whether it's a \$20 pair of shoes or a \$20,000 software program. [Research](#) shows that:

- The average consumer looks at 3-5 pieces of content before they make a purchase
- 87% of shoppers begin their research for a purchase online

Making people aware of your brand is one of the hardest parts of marketing your business. By building a structured, engaging marketing funnel, you can drive prospects into your funnel and convert

them to customers with ease. The funnel described below is a very basic marketing funnel. There can be more stages as well as more content. Let the prospects' interests as well as your particular product drive the content and the funnel.



Chapter 3: The Top of the Funnel

Bringing prospects to the top of your funnel can be done in multiple ways.

The **first phase** of your sales funnel is to **promote brand awareness**, generate new leads, provide information to your prospects, and to educate them about the product or service they are looking for. During this phase, powerful lead generation takes place. The best part of this particular brand of lead generation is that most of the leads will be “qualified”.

Qualified means they already have a general interest in your product because they have a need or interest that it meets. They will have likely found your business through search or a targeted ad based on their interests on social media.

A great content strategy finds out what questions your customers are asking and then answers them.

Let's revisit our example from above. Some things that Stella's ideal client might be asking are:

- What software is easiest to use?
- What software is inexpensive?
- What software is the best?

Now, armed with that information, she can write some SEO optimized blog posts that answer those questions. She'll just need to do some research to find out what some good keywords will be for the article.

There are many ways to get prospects to the top of your funnel:

- Blogs and articles
- Social media
- Video
- Direct email

- PPC advertising
- Webinars

Choose a strategy that works with your particular brand/product the best. This is not an exhaustive list.

Let's explore ways to bring your prospects into the top of your funnel.

Blogs and Articles

The key to the blog posts is Search Engine Optimization (SEO). When writing content, write for the person who will read every word, the person who will skim the article, and Google.

Every business that wants to be competitive in the market today should have a blog.

Having a blog is a great way to get the word out about your product and your brand. **Brand awareness is how you let prospects know you exist.** But, you need to know what you're doing for your blog to be effective.

SEO is an imperative part to making your blog work to its full potential. You can go really deep into SEO and there are entire courses taught about it.

Here are the basics for you to be successful with SEO:

- Have quality content
- Use good keywords
- Write *at least* 1000 words
- Make it easy to read

If you aren't getting any increased traffic from your blog posts, it may be time to

hire a copywriter to assume that task for you. Or you may need to work with an SEO expert.

You can also try guest blogging on an industry website. For example, if you were Stella, you might guest post on a software association site. If readers like your post, it might spur them to look your business up so they can learn more.

Social Media

Facebook, Instagram, Twitter, and Pinterest are great ways to generate brand awareness. Establish a page for your business and post to it regularly.

Interact with page members, share interesting information, and provide fun ways for members to interact with the page.

Also, **follow pages where your prospects might hang out.** Interact on those pages, answer questions, and give other followers value. By doing this, you will assert yourself as an expert in the industry.

Avoid placing links to your website or product. No one likes that - just answer their questions or link an article that helps them in their quest for information.

Video

In the last few years, **video has taken over the top spot as the most used method in content marketing.** Brand storytelling and promotional videos are a great way to communicate your message to prospects.

Webinars and video sales letters are great ways to get more information into the hands of your prospects.

Email Marketing

If you have/or are building an email list, **email is a great option.** Reach out, introduce yourself and your business and explain your product line.

PPC

Pay per click is advertising on Google or social media. This may sound overwhelming and expensive but you might be surprised. You can direct the ads to people who would be most likely to be interested in your product and you can set an amount you can afford for advertising everyday.

Key Points About the Top of the Funnel

The key to an effective funnel is to research **what questions your prospects are asking and provide the answers.**

Once you make prospects aware of your business, you'll use one of the aforementioned tools to guide them to the next step of the funnel.

Warm leads equal better conversions so quality, engaging, optimized content is a must.

Your goal for the top of the funnel is not to make a sale. The **goal is to move them to the next stage of the funnel.** Engagement and nurturing of the lead is the purpose of this content.



Chapter 4: The Middle of the Funnel

Once you've led your customer to your brand or product, what's next?

The middle of the funnel is for building interest and making your product desirable to the prospect. If he/she likes what they see at the top of your funnel, they become a qualified/warm lead. This means that they are interested in learning more, but maybe aren't quite ready to make a purchase.

The **key to the middle of the funnel is nurturing.** Show them you're the expert and that your product is the best solution for their needs. Marketing at this stage tends to be more personal and targets the specific pain points of the lead.

This is a great place for product comparisons, case studies, drip email campaigns, and product demonstrations.

Some examples of content for the middle of the funnel are:

- Case studies
- Product comparisons
- Drip email campaigns
- White papers
- Webinars

You'll notice that some content types overlap between the different stages of the funnel. Remember, all businesses are different and you can choose the funnel that works best for you.

Let's take a look at some of this content in detail.

Case Studies

A case study is simply **the story of a customer's experience with your**

product. Well, maybe not “simply”, it’s a little more complicated than that.

Case studies are a way for you to explain to your leads how another customer, with similar pain points, used your product to solve their problems. There are specific marketing techniques at play here and when used effectively, case studies will hit the mark nearly every time.

Product Comparisons

Product comparisons are a great opportunity for an awesome infographic you can send leads to show them **how your product stacks up against the competition.**

Be sure to do good research on the products you’ll be comparing your product to and try not to make it all

negative. Be sure to be as accurate as possible and avoid misleading customers.

Drip Email Campaign

A really good, **well-written drip email campaign is a rock star in the funnel content world.** Once you get the email address, you just set it up with the sequence and each email gets automatically sent. They can go out every day, once a week, once a month, or whatever time frame you choose.

The key is to make them short and punchy and have **really awesome subject lines.** The subject line is going to be what gets your prospect to actually open the email. We will talk more about writing good content later on.

White Papers

White papers are a staple in the marketing world. A **white paper is a report or guide that informs readers about a product, service, or issue.** It's meant to help readers understand an issue, solve a problem, or make a decision.

White papers are most commonly used in business-to-business marketing but are an option for any type of marketing.

Anytime you see an ad that has an option to “request a free report”, that is most likely going to be a white paper.

Webinars

Webinars are such a great tool for this stage of the funnel. Again, they can be live or pre-recorded.

Webinars are one of the best ways to **share your expertise or product with your prospects.** They are a fantastic way to increase engagement and because they are in video format, they feel more personal than an email or white paper.



Chapter 5: The Bottom of the Funnel

The bottom of the funnel is for action. It's **time to pull the trigger and get the sale.**

This is your chance to provide leads with information specific to their needs to help them make the decision to buy. Just avoid being too pushy or salesy.

Instead, use good copywriting techniques to create a need within them to buy.

Content for the bottom of the funnel includes:

- Trials
- Demonstrations
- Email campaigns

Free Trials

A free trial basically allows the lead to **use the product for free for a predetermined amount of time.** Maybe 24 hours, maybe

a week. Long enough for them to use it, fall in love with it, and want it permanently.

Product Demonstrations

Depending on your product, demonstrations can be a great way to **showcase what you have to offer**. You can approach product demonstrations in a couple of different ways.

If you have a sales team, they can actually get in touch with the prospect and do a live demonstration (in person or on a conference call, etc).

You can also make a video of your product in action that can be sent out anytime someone requests it. Then, you can follow up with the prospect after they've had a chance to view the demonstration.

Email Campaigns

Once again, you'll find email campaigns taking on the tasks of the bottom of the funnel. Email campaigns are just so versatile and easy to implement and they work great at every level of the funnel.

Post Purchase

Even after the lead has converted and made the purchase the nurturing needs to continue. Be sure and **have a welcoming onboarding process** so they are confident in their decision to buy. When you make them even more sure that they made the right decision, they will be more likely to refer other customers.

When your new customers are not happy after the sale, they will make returns and

leave bad reviews which will not help your conversions. It's so important to continue nurturing your new customers and making sure they are happy.



Chapter 6: Qualifying Leads

Qualifying a lead is the process of figuring out whether a prospect meets the criteria to purchase your product or service. Qualifying a lead creates a process by which you avoid spending time and money pursuing a lead who isn't going to buy your product.

There will be situations when you qualify a lead but they don't make the purchase. Sometimes it's because your product doesn't meet their needs or it could be other reasons.

They may not have the resources to make the purchase or they may not be the person in charge of making the decision to purchase. Your content may have disinterested them or you may have asked for the sale too quickly.

Still, qualifying leads helps you to focus your energy and resources on your best bets for converting.

SQL and MQL

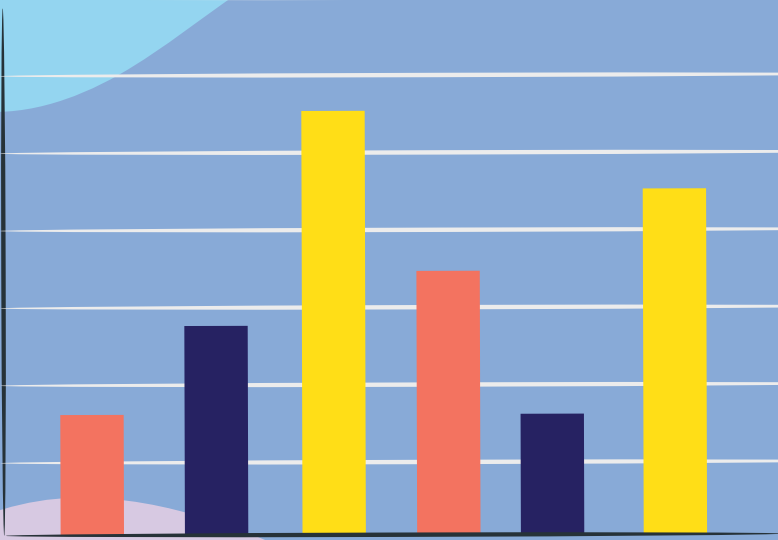
There are different types of qualified leads and different ways of determining if they are qualified.

A **market-qualified lead** is a prospect who has reached a certain level of engagement that suggests they are more likely to become a customer than other leads based on certain intelligence you've collected.

For example, a lead may become market qualified if they fill out an opt-in for a product demonstration or if they view certain content available in the funnel. Once you have determined a prospect is

an MQL, their information is passed on to the sales team for follow up.

A sales-qualified lead is a prospect that the sales team has determined is ready to make a purchase. The SQL is in the purchasing cycle while the MQL has not quite reached the buying stage yet.



Chapter 7: Tracking Your Market Funnel Metrics

Once you've created your funnel and determined how prospects will interact with it, you need to figure out which metrics you'll use to track your results. You can build the greatest marketing funnel of all time but if you're not monitoring how well it's functioning, it's not really worth much.

It's important not to get too dragged down with data and metrics. You'll need to find a few key performance indicators (KPI) to track so you can make meaningful improvements.

You'll want to experiment with keeping track of different metrics to get the right combination for the best results. Try to only focus on 2-5 metrics at a time and try to only make changes based on the metrics you're focused on. Otherwise, it

will become very difficult to track what is actually working and what's not.

Here are a few good places to start:

- **Sales funnel conversion rate** – This is probably one of the most important metrics to track. This metric tracks how many prospects enter your marketing funnel and how many convert to customers. As you make changes within your funnel, this number should improve.
- **Entry sources** – This metric tracks where prospects entered your funnel. If you see that a certain Facebook ad you ran generated the most traffic into your funnel, you may want to consider re-running the ad or spending more of your marketing budget on more ads.

- **Time in stage** – You want your traffic to keep moving through your funnel at a steady pace. If you are finding that your prospects are getting hung up at a certain stage, it may be time to add more or different content to that stage.
- **Exits from stage** – This metric tracks leads that are falling out of your funnel when they reach a certain stage. This may indicate that this stage needs more nurturing content or that you're trying to push the lead through this stage too quickly.
- **Content engagement rate** – If you've placed a call to action on your content pieces, it will be helpful to know which ones are qualifying more prospects and leading them to the next stage of the funnel. Once you know that, you

can upgrade that content or send paid traffic to it to get more conversions.

- **Opportunity arrival rate** - Use this metric to track how changes to your marketing strategy change the opportunities that are currently in your funnel.
- **Close rate** - This tracks the number of sales you actually close compared to the prospects that drop into your funnel. You can use these other tracking metrics to discover ways to improve this metric.

There are many tools on the market to help with tracking all of these and more metrics but most businesses will find Google Analytics easy to use and implement.



Chapter 8: Finer Points

You can build a great sales funnel yourself once you know the basics of how it works. Of course, there are literally thousands of online marketing agencies who would be more than happy to build it for you if you're short on time or knowledge.

Here are a couple of things to **keep in mind as you start building your funnel.**

Copywriting

Copywriting is simply the words, written in a way to **cause the person reading to take action** – preferably the action you, the writer, want.

There is a whole science behind copywriting that has to do with the psychology of the buyer, the purchase process, and the style of writing. There are thousands of courses you can find online

to help you with copywriting and thousands of copywriters out there you can hire to do your writing.

Once you build your funnel and start tracking your metrics, try hiring someone else to write an email sequence or landing page to see if it makes a difference. This is often referred to as an A/B test. Money used for hiring a copywriter can be money well spent.

Finding your brand voice

When you start writing copy for your business, it's important to **create a brand voice**. That's the overall tone of your writing and it represents the character and tone of your business.

Copywriting is a very relaxed style of writing. It's more conversational than say

a term paper you wrote in high school.
Lots of contractions, not a lot of big words.

Who's your customer?

You should always start your writing process with **knowing who you're marketing to**. If you're trying to sell to a millennial, you're probably going to have a different style than if you're marketing to your grandparents.

For example, if the product is a safety car seat, you're going to market to mothers of babies/toddlers. Because mothers are typically the ones who make purchasing decisions when it comes to their children.

What you'll do is actually create an avatar of this mother: She's 25-35 years old, this is her first child. She is very concerned about the safety of her child and wants the safest car seat she can get

for her precious cargo. Then, figure out what this mom might be asking in the search bar as she looks for the best car seat she can purchase.

Keep the focus on THEM

Always remember in copywriting that it's not about YOU, the writer. It's about THEM, the customer. Avoid using words and phrases that contain *I, my, we*, etc. Also, use an active voice when writing.

Keep it short and concise

Above all else, consumers today are **looking for authenticity** and something they can easily read on their phone. Big blocks of text will cause the average reader to bounce away from your content so keep paragraphs short and try bolding the important points.

Remember, there are people who will read every word you've written in their quest for knowledge and there are people who will skim for the important points. Make your writing appeal to both.

Always have a CTA

Every piece of content in your funnel **needs to have a call to action**. Where is your reader going next? What part of your funnel do they need to move to?

The CTA isn't always an add to cart button. Sometimes it's an invitation to a webinar or a request for more information.

The writing in your funnel is all you've got when communicating with prospects. It's well worth the investment to learn copywriting techniques yourself or hire out the copywriting portion of your funnel.

Giving Value to Potential Leads

You may struggle with this concept because it feels a little counter productive. **Sometimes, you're going to give information away to leads for free.**

This is a really useful strategy that builds trust and rapport with prospects.

Remember, at the top of the funnel, your main focus is creating brand awareness, letting customers know your business exists. If your perfect customer is hanging out in Facebook groups for small business owners, you're going to want to be in those groups as well.

And, when someone in the group presents a question or concern in the group, you can answer with honest, helpful

knowledge. Avoid just dropping a link to your product – unless they specifically ask for it.

Here’s an example of how this works.

Sally, an investment expert, is trying to find leads. She needs to find people who have a nest egg or neglected 401K so she can help them invest that money so they will have the resources they need in retirement.

Sally turns to her local chamber of commerce Facebook group and posts this question:

“What’s your best advice for lead generation?”

Let’s say Joe owns a digital marketing company and sees this question. He could

drop a link to his website and try to get her into his funnel but he believes in giving value to prospects as a marketing tool.

So he replies, “Have you tried creating a sales funnel? Here’s a link to an ebook that explains what it is and how to do it” and he links an ebook (like this one).

Sally might message Joe a couple of days later and thank him for the information, and ask more questions. Ultimately, Joe has asserted himself as an expert in marketing. Sally may or may not become a customer but if someone asks Sally about a marketing expert, odds are she will throw Joe’s name out there.

Obviously, this example doesn’t work for all businesses but you get the idea.

Be prepared to give away free content in your funnel. Ebooks, webinars, and white papers are examples of content that may cost you some time/money to create but are well worth the return in sales.

Nurturing Leads

Probably the most important thing you can invest in is nurturing your leads.

Always strive to figure out what the lead needs to be able to move to the next stage of your funnel. If they need more information, be sure and have it ready to give them.

You'll be able to utilize your metrics to figure out where more nurturing is needed.

Retargeting

Some customers will drop out of your funnel, that's just a fact of marketing. You may be able to figure out why they dropped out with your metric information and then make changes to your funnel to stop more people from dropping out.

But what about the ones you lost?

This is an **opportunity to create another stage in your funnel**, a retargeting stage. Retargeting monitors your prospects behavior and keeps sending them back to your content which will make your conversions even higher.

Retargeting is an excellent way to boost ROI but it's not the simplest thing to implement. You'll want to be careful not to

seem creepy or make prospects feel like you're invading their privacy.

In order to understand retargeting, you'll need to have a basic understanding of cookies. Cookies are basically little bots that keep track of sites you visit, how many times you click on something, and even where your cursor hovers on the page.

Armed with this information, you can **create content that specifically targets the concerns or questions that the prospect has** and ultimately, bring them back to your funnel.

An important thing to consider when using retargeting is that you'll need a very clear privacy policy that explains to visitors how you collect visitor data and how you use it.

Retargeting assists both brand awareness and increased conversion because the content can be so personalized and targeted. **Consider these [statistics](#) about retargeting:**

- 3 out of 4 customers notice retargeted ads
- Retarget ads are 76% more likely to get clicks than regular ads
- Using retargeting along with other channels can increase sales up to 50%

Retargeting cold, warm, and hot leads

When retargeting, your audience can be broken down into three groups; cold, warm, and hot.

Cold traffic refers to people who have come to your site, they don't really know

anything about you, and they are at the top of the funnel. It's pretty difficult to convert a prospect at this stage because they don't really know you.

Warm traffic are leads who have been in your funnel exploring. They are really checking out your site and your content. They may not be ready to pull out their wallet but they are definitely interested.

Hot traffic are the people who are well on their way through your funnel and they are ready to buy. They are just finishing up some last minute research and making their final decisions.

The good news is that retargeting works for any temperature of lead. You just need to know how to nurture them in the most productive way to get the conversion.



***Final Thoughts:
A Solid Sales Funnel
Will Explode Your
ROI***

At this point, I'm sure you can see how **a sales funnel can benefit your business.** It's really the most effective way to boost your conversion rates and make the best use of your marketing time and money.

There are so many ways to approach the sales funnel and move people through it. No two businesses will have the same funnel and there is no right or wrong way to structure your funnel.

Be sure and do your research so that you implement the best practices for marketing as well as creating content that converts.