



IMTC

#12

PDF Profit Plan

How to Build Passive Cash Funnels From Scratch



How would you like to set up a simple system that collects the email addresses of your prospects and then markets to them automatically? We are of course talking about a sales funnel, something you can set up in one day in almost any money-making niche. It doesn't take any great skill or talent. You don't need your own products. You don't even have to use your own content.

You simply need to set up the system and then put it to work for you, yet new marketers hesitate to do this. Is it because the system looks too easy to be effective? Or because new marketers are afraid they don't know all of the steps involved? With this primer it won't matter – you'll have everything you need to get started today.

The best sales funnels are tested and tweaked to maximize your profit. You might think it's not that important if you're earning \$1.00 per prospect or \$2.00 per prospect – after all, it's all profit, right? But the better your sales funnel is at making money, the more and better advertising you can afford. If your funnel is only making pennies, then you can only use free methods to generate traffic. But if your funnel is making real money, you can reinvest some of those profits into converting even more prospects into even more sales.

A good sales system will build solid relationships with your lists so they open and read your emails. And best of all, it will allow you to “print money” on demand, simply by sending out an email.

There are two types of sales systems you can build – lead driven and sales driven. A lead driven system puts prospects into your system when they enter their email address to receive your free offer. A sales driven system is made up of buyers only. For example, you place a product on the **Warrior Forum**, pay 100% commissions to maximize sales from affiliates, and then collect the email addresses of the buyers. It's a good way to build a very solid list, but you need your own products to make it work.

That's why we're going to focus on the lead driven system, because you don't need to have your own products. Instead, you can promote affiliate products and let someone else worry about setting up sales pages, delivering products, sales support, customer service and all of that. Eventually you might want to add your own line of products, but for right now it's much faster and easier to let other people handle the product end while you focus your efforts on getting leads into your system.

Now you might wonder – why not simply send traffic to an affiliate offer? Why build a sales system? And the answer is of course that with your own sales system, you get to keep the leads and continue to market to them over and over again. If you're simply sending traffic to a sales page you don't own, then regardless of whether they buy or not, you never capture the email addresses and they're lost to you forever.

An Overview of How Your System Will Work:

You'll use various methods to send people to your website. These methods might be paid advertising, social media marketing, media buys, link swaps and so forth.

The visitor enters their email address in exchange for your free offer.

That new subscriber automatically receives the free offer, and this part is important: They are redirected to a special offer. This offer is usually something that is steeply discounted and extremely limited time-wise.

If the new subscriber purchases, they're placed on the customer list. Otherwise they stay on the lead list. Either way, they continue to receive content and promotions from you every day or two, automatically via the autoresponder.

Tracking

This could be one of the biggest reasons new marketers don't create affiliate funnels – they don't know how to fine tune those funnels to make the most money. But the money is in the tracking, because by tracking you know what's working, what's not and what needs improving.

You can track everything in your business, and by tracking, you turn your funnel from guesswork into a scientific process that tells you exactly what to do to maximize your profits.

Imagine you've got two different versions of your offer and you test both. Version A is making half the sales of version B, so what do you do? You eliminate Version A, send all your traffic to Version B and begin testing to improve Version B even further. Using this method your business is guaranteed to improve over time - It's that simple.

If you don't track and test, then every sale you get will be from sheer dumb luck. In addition, you will be leaving more money on the table than you can even guess. Not only do you lose all the profit you would have made from the increased conversions, but you also lose all the profit you could have made by reinvesting the extra profit into more traffic. Think about that.

What You Need To Know:

EPC – Earnings per Click. This is the money you make versus the number of people that clicked over to your page. So if you make \$246 for every 100 people who visit your page, then you're making \$2.46 per click. 10 clicks = \$24.60 and 100 clicks = \$246.

Why knowing your EPC is important: If you know that statistically speaking, every time someone lands on your page you're making \$2.46, then you know exactly how much you can spend per click to drive prospects and stay profitable.

One note: Your EPC might only include the money you earn immediately from your sales funnel – generally from your one time offer. Or if you're able to track for a period of time, you'll know what your EPC is for the lifetime of your customers, also known as the...

LCV - Lifetime Customer Value. The average dollar amount that every lead is worth. This number will be significantly higher than the initial EPC you earn from your list building one time offer.

When you know how much money you're making, you know how much you can spend on advertising. So let's say, factoring all the purchases they make, that your average customer is worth \$50. This means you can spend anything up to this amount on advertising to acquire your new customers and you will still make money.

CPL – Cost Per Lead. How much it costs to get a lead into your funnel. If you spend 10 cents to send a lead to your opt-in page, and 1 in 5 of those leads opts into your list, then you are spending 50 cents for each lead.

IMPORTANT: $LCV - CPL = \text{Your Profit}$. If your lifetime customer value is \$50, and you're paying \$5 per lead, then your profit is \$45.

Break Even Point – This is the point in your sales funnel when you break even. You can calculate this by knowing what your CPL is and what the average conversion rate is on each offer you make in your sales funnel. Depending on the offers you're making, your conversion rate and your CPL, you might break even the same day you get a new lead by immediately selling them on a one time offer. Or the break even point might be when you make the second offer a couple of days later, or the third offer after that. By knowing your break even point, you know when you will recoup your money and when you will be in profit on the average lead.

The faster you can reach your break even point, the faster you can grow your business, because the faster you can reinvest your money into getting more leads. Thus you want

to tweak your funnel to reach the break even point as fast as possible without alienating your new leads with offers.

The best way to reach your break even point in the least amount of time is to make an incredibly great one time offer the moment they join your list. This offer should be such a great deal that it's hard to resist, so you want to give far more value than the small amount of money you're asking for. And placing a countdown timer on the offer will further increase conversions.

These numbers are crucial to your success. Knowing them and improving them are the absolute key to building a long term thriving business, because you know exactly what you can spend to get leads while still making a good profit. On the flip side, guessing what your numbers are or simply not knowing is the fastest way to failure in building a sales funnel.

Picking The Right Market

There are 3 types of markets you can target: Passion, Pain or a Combination of the two. A passion market is something that people passionately pursue and spend money on, like hobbies. The more expensive the passion, the better. A pain market is one that solves a problem, like weight loss. And a combination market is a mix of the two. For example, it could be the dating niche where people are desperate to meet someone, but once they do, they have a passion to make the relationship work.

When dealing with a pain market, the bigger the pain the greater the urgency to solve the pain, and the easier it will be to convert. People who want to solve a problem right now are ready to buy right now. But when it comes to passion markets, it's best to create a greater sense of urgency by having sales that expire.

Pick a market that is big enough that you don't run out of prospects or advertising options, and small enough that you can solve specific problems for them. Also, choose something evergreen. Obviously gardening or Christmas décor is very seasonal, while Internet marketing changes so fast your funnel will be outdated in six months. Instead, pick something people need year round that doesn't change greatly from one year to the next, such as dating, weight loss, parenting and so forth.

Creating Your Squeeze Page

As you know, the purpose of your squeeze page is to sell people on giving you their email address in exchange for your free gift. But a good squeeze page does more than this – it

also prequalifies the prospect, ensuring that you are only attracting the specific group of people who will be interested in your particular niche and the products you promote.

So if your target market is guys who recently ended a long term relationship and are looking to get back into dating, your squeeze page is going to speak directly to them – not to guys who have been single and playing the field for years or to guys in a relationship. And if your target market is people who take luxury vacations, your page will speak directly to that market and completely exclude vacationers on a budget.

And because your entire list is being built from one squeeze page, it's very easy to tweak and test that page to maximize your conversions.

As you know, your headline is the most important thing on the page. It's got to be so compelling, they would stay to read the rest of the copy and fill out the form even if they were late to receive their lottery check or if their dinner was on fire.

The sub-headline clarifies the headline and tells the person what to do next. It also adds urgency. If this sounds like a lot, it is. Getting the copy just right on your squeeze page makes the difference between 20% conversions and 50% conversions, so invest time getting this right.



The sole purpose of the button copy is to get the click. That's it. Here's button copy you should test against whatever else you want to try, "Click Here to Download." It's been proven to work really well and beat most controls, so give it a try. Also, make your button stand out from everything else on the page, so the viewer cannot possibly miss it.

Your Free Gift

This has to provide real value to the subscriber. It might relieve a pain, solve a problem, satisfy a burning curiosity, help them to accomplish a goal, etc., but whatever it is, it's got to be something people WANT. If it's so good people would PAY for it then you've likely got a winner.

Don't confuse your prospect at this point. If your free gift has 100 different benefits for the subscriber, your offer will be diluted. Instead, focus on the ONE BIG benefit this free gift is going to give them.

Your Thank You Page

This is where you make a DYNAMITE offer that they will see only ONCE. It's a super limited time, one time only, get it now or lose it forever kind of deal. The value should be through the roof and it's got to be worth far, far more than the asking price. As an example, this is a great place to offer a best selling \$97 product for \$9.99.

An alternative is to offer a \$1 trial into a hot membership. If you can also offer a lower monthly rate on a high priced membership, or if the membership is in the \$7-\$20 a month category, you should do great.

Remember, you want to promote something on the Thank You Page because this is where you want to break even. That is, if you're buying advertising, you want the profits from your Thank You Page to PAY for your advertising, so everything else you make in your funnels is pure profit.

Split Test Everything

Split test your Squeeze Page and your Thank You Page. Split test the offers, the headlines, the text, etc. Test everything and don't just test small - test big, too. Try an entirely different headline, and entirely different offer, etc. Test small as well. Test different colors, different calls to actions and so forth.

The more people you have opting in and the more people you have buying from your Thank You Page, the more money you will make and the more money you can invest in advertising.

Products to Promote

Obviously you only want to promote high quality, evergreen products that will help your customers. Choose products that solve problems or give how-to instruction. And if possible, promote products with recurring payments because these will pay you month after month.

Your funnel is no place to promote flash-in-the-pan products because you want products that are available for months and even years to come. This way you don't have to continually update your autoresponder copy to replace products that are no longer valid.

Creating and Sourcing Content

Make sure that all of your content is directly related to the reason why they signed up in the first place. Share tips that will help them solve their problem or help them move their passion forward. The more helpful you are with your information, the longer they'll read your emails and buy your products.

Sourcing content is simply finding content online that's terrific and sharing it with your readers. Remember to give credit for the content. And write your own thoughts and intro for the content.

Of course you don't only want to use sourced content, you also want to create your own. You can do this by writing it yourself, by hiring someone to write it or by purchasing the rights to content.

Just make sure that everything you share with your readers provides immense value and helps them to reach their goals, and they will stay subscribed.

Getting Traffic

It's important to realize that there is no free traffic. You're either paying for traffic with your time or with your money. And the sooner you can pay for it with your money, the better, because then you can begin growing your business at a much faster pace.

Regardless of whether you're paying by time or by money, there are smart ways and not so smart ways of getting traffic. Initially, it can be very frustrating to try to create traffic streams yourself. For example, starting a blog and trying to get people to the blog so you can get them to your squeeze page is hard work and takes time. It's worth the investment, but realize it probably won't pay off for six months or more.

That's why when you're first starting out, you want to find traffic streams that are already in place and tap into those.



If you're buying traffic, spend the money it takes to get good traffic. Cheap traffic is no bargain when it doesn't convert. Typically, the less you pay for traffic, the lower the quality, but there can be exceptions. Facebook, for example, can be a source of very reasonably priced traffic that converts really well.

For free traffic, Social Media is your #1 venue. Post often and everywhere. Post great content and be helpful. Find

fan pages and become a member, then send that traffic to your opt-in page.

If you can, partner up with other people who have lists and work out deals. Offer to pay them to put a banner on their site or to recommend you to their readers. Guest blog, and at the end of your posts offer readers you free gift. Do ad swaps with other list owners and website owners. Offer to pay a flat rate to large list owners if they'll offer your free gift to their subscribers. This works especially well in any niche other than the IM niche, since large list owners in other niches aren't approached with these kinds of offers all that often.

The scope of traffic possibilities is much larger than we have room to cover here, so do some research and find the 2-4 methods that resonate with you and your offer.

And keep in mind, once you have your funnel set up, you can devote nearly all of your time to getting traffic because everything else runs on automatic. This means once you can afford to BUY your traffic, this will become practically a hands off business, and you can invest your time setting up a second and a third funnel, and so forth.

Emailing Your List

You will of course be programming all of your emails into an autoresponder so that the entire process is totally hands off for you. Once a person joins your list, they begin receiving the emails in your autoresponder at the intervals you've set up.

In your first email be sure to include the free gift. You might also write a short note thanking them for subscribing. Don't make it too formal – let some of your personality start to shine through right from the beginning.



Ask questions - “What do you need help with?” “What's your opinion on ___” Write emails like you're writing to a friend; short, sweet, personable, to the point, etc.

When you send a promotional email, send a second email the next day asking if they got the email. This is an effective way to double the response on your initial email without promoting twice.

When you promote a product, promote it multiple days because this shows that you really believe in the product and aren't just trying to make a fast buck. Plus, promoting the same product multiple days wears down the sales resistance of your subscribers. Those who are sitting on the fence are much more likely to jump off the fence when they're reminded multiple times to do so. And if you're offering a special, limited time discount, it's even more effective.

Send strictly content emails before a promotion. For example, if you know you're going to sell a program in 3 days that solves a specific problem, talk about the problem before hand. This gets them thinking they want a solution, and POW! In the next day or two you offer it to them.

This is especially effective if you offer partial solutions in your content. For example:

- **(Email 1)** Pimples suck, here's why (let them feel the pain.) One way to possibly get rid of pimples is to use this home remedy – it might work for some people.
- **(Email 2)** Bring on more pain, offer another possible solution that might work for some, and let them know your favorite solution is coming tomorrow.
- **(Email 3)** Remind them of the humiliation of pimples, but it's okay, because now you've got THE solution, here it is!

Remember to not bombard your list with different offers – give them good content, too. Sometimes providing good content is as easy as recommending a video that fits right in with your topic. It's not hard. The secret is to find out what works, put that in your autoresponder and let the system do the work for you.

Track and Test everything. Track your traffic sources, test your conversions on your squeeze page and your thank you page, track which emails are effective and so forth. The better you track and test, the more you can make. It's that simple. Get tracking software and use it as soon as possible, because it can make all the difference. **Improvely** is a good conversion tracking software. Remember, without tracking, you are simply guessing, and you can lose a lot of money when you're guessing.

That's it – that's how you set up a traffic funnel. As you can imagine, the first one is the hardest because you're on a learning curve. But once you master the skill of setting up a funnel, you can do it over and over again in any niche you choose.

Imagine for a moment that you set up a new funnel just once every 3 months for the next 3 years. That's 12 different funnels, all working for you night and day to make you money. You might want to update them now and then to promote new products that come on the market, but other than that, these mini-businesses are set up and running for you.

This can be one of your very best options for quitting your job or making the extra money you need for retirement. And it's not rocket science, it's simply getting a feel for what your market wants along with plenty of tracking to optimize the entire process.

Your first step now is to pick a niche and get started. You've nothing to lose and total financial freedom to gain, so by all means, get started today.



About The Author Nick James

The Internet Marketing Training Club is published by eShowcase, Inc.

Internet entrepreneur **Nick James** has been at the forefront of Internet marketing and online product development since 2001. Specialising in new media marketing and innovative web based technologies, **Nick James** is the webmaster of the Internet Marketing Training Club website, the popular destination for product developers and online entrepreneurs.

Nick is also a full time product developer and has created several software programs, information products and membership websites during his entrepreneurial career which are all published via eShowcase, Inc. of which Nick is President.

Nick regularly hosts teaching webinars for a growing band of online entrepreneurs and is currently working on a major new online broadcasting project called My Social Radio which mixes music radio together with a personal set of his own bespoke marketing disciplines.

Nick is also a 'Global Angel' and is actively involved in various fund-raising activities for the International Global Angels Charity. Raising funds to empower children, young people and their communities whether they are living in extreme poverty or disadvantage, devastated environmental conditions, with disability or life threatening illness, are street kids, orphans, child slaves, trafficked kids, or child soldiers.

Nick regularly contributes to a wide variety of publications offering expert tips and advice across a variety of online business topics.

Here are a few other software projects Nick has recently worked on recently which may be of interest:

1. **Targeted Lead Finder** - Make the very most of Facebook pay per click advertising with custom audiences. Extract precise data of the exact prospect you wish to target with this simple to use desktop software program.
2. **Extreme Lead Finder** - Search Facebook marketplaces like never before with the new Extreme Lead Finder. Feeding directly into Facebook Graph Search you can now easily pull back data from Facebook directly into MS Excel.
3. **Kunaki Gateway** - Now you can automatically fulfill customer orders with PayPal and Kunaki on a completely hands-free basis. Details of both the product being ordered together with the customers shipping address are past.
4. **Sales Letter Customizer** - Automatically adjust a website based on the geographic location of your website visitors. Everything from prices to spelling and video elements can be customized to maximise your sales conversion rate.
5. **Facebook To Autoresponder** - Build an email opt-in list by offering free downloads from your Facebook Page. Then embrace the power of social media to notify your new subscribers friends about their interest in your products and services.
6. **Subscription Dashboard** - Quickly and easily turn your Wordpress based website into a membership site with this handy plug-in. Integrates with both PayPal and ClickBank to allow you to sell membership to your website.

And many more...

For more PDF Profit Plans like this one, make sure you visit the [Internet Marketing Training Club](http://www.InternetMarketingTrainingClub.com) website. They are free to download for a limited time.

