



THE SECRETS OF A 10% CONVERSION RATE

by Paul Hancox

Version 1.0.1

YOUR RIGHTS

This electronic publication is for your own personal use only. It does **not** automatically come with any rights of distribution. You do **not** have the right to reproduce, redistribute or resell this publication in any form, without a valid resale license acquired directly from the author.

IMPORTANT NOTICE

© 2008 Paul Hancox. All rights reserved.

Whilst the author and publisher has made every reasonable effort to ensure this publication is free from error, neither author, publisher nor distributor assume any responsibility for errors, omissions or contrary interpretation of the subject matter herein.

This publication is an information product, and is not intended for use as a source of legal, accounting or tax advice.

The reader assumes all responsibility for the use of the materials and information herein, including adherence to all applicable laws and regulations.

No guarantees of income, sales or results are claimed, and figures are given for example purposes only.

Any perceived slights of persons, peoples or organizations is unintentional.

The author and publisher (along with the distributor) assume no responsibility or liability whatsoever on behalf of any purchaser or reader of these materials.

Contents

Chapter 1 – Internet Marketing, The Jigsaw Puzzle

Chapter 2 – The Product: The Thing That Will Make Or Break Your Conversion Rate

- 2.1 How To Develop A Product That Is Virtually Guaranteed To Convert Well
- 2.2 How To Pick Winning Affiliate Products

Chapter 3 – Choosing Your Marketing Model

- 3.1 Improve Your Conversion Rate By Testing Different Models

Chapter 4 – Testing: The Golden Key

- 4.1 Split Testing – Anyone Can Do It!
- 4.2 Gary Halbert Says The Most Important Thing To Test Is Not The Headline, But This...
- 4.3 Why Testing Is So Important For Affiliate Marketers, And How To Do It
- 4.4 Six Important Principles Of Split Testing
- 4.5 Multivariate Testing
- 4.6 The Controversial Yet Powerful “Flow Testing” Technique
- 4.7 How To Use Flow Testing Effectively

Chapter 5 – Pre-selling Power

- 5.1 Site Pre-Selling
- 5.2 Blog Pre-Selling
- 5.3 Powerful Blog Pre-Selling Techniques
- 5.4 How To Get People Addicted To Your Blog In 5 Easy Steps
- 5.5 Tips For Creating An Effective Blog Presence
- 5.6 Email Pre-Selling

Chapter 6 – Super Conversion Sales Techniques, or “How Direct Salespeople Achieve 20-40% Conversion Rates”

- 6.1 Selling In “Steps”

- 6.2 Understanding The Customer's "State" At Each Step Of The Sales Process
- 6.3 Closing Doors
- 6.4 Closing Questions
- 6.5 Price Conditioning, and Price Justification
- 6.6 Creating Urgency
- 6.7 How Are These Things Relevant To You?
- 6.8 Using These Techniques On The Internet

Chapter 7 – Creating The Sales Material

- 7.1 The Sales Letter As An Online Salesperson
- 7.2 Essential Things You Should Know Before You Start Writing Your Sales Copy
- 7.3 Using A Thematic Outline To Get Started
- 7.4 Writing The Copy Itself
- 7.5 Power Tips For Effective Sales Letters
- 7.6 Using Technology In Your Sales Material
- 7.7 Selling With Video

Chapter 8 – Word Of Mouth Secrets They Don't Tell You

- 8.1 Two Word-Of-Mouth "Secrets" That Can Make A Difference Between 1% And 10% Conversion Rates
- 8.2 How To Use These "Secrets" To Devastatingly Powerful Effect

Chapter 9 – Customer Loyalty and Evangelism

- 9.1 Buyer's Remorse, And How To Eliminate It
- 9.2 Why It's Important To Give Only Good Experiences
- 9.3 Why Feedback Is So Important, And When To Ask For It
- 9.4 Reward Loyalty

Chapter 10 – Final Insights

- 10.1 Increasing Conversion From 2% To 20% By Communicating
- 10.2 Bonus Tips

Conclusion, or "Now The Fun Really Begins!..."

1

Internet Marketing, The Jigsaw Puzzle

What do the following companies - Office Depot, Coldwater Creek, Proflowers.com and Tickets.com – have in common?

The answer is, they all achieved a visitor to customer conversion rate of over 10%, according to the Nielsen/NetRatings' MegaView Retail Report for January 2008. Amazon also came close, with 9.6%. In other words, 9.6% of unique visitors to their site became customers.

On the other hand, many smaller web based businesses, affiliate marketers and bloggers are struggling to achieve conversion rates of just 1% or 2%.

So is there any hope for the average person or business to achieve a high conversion rate?

In a provocatively titled article, "Why You Can't Have A 10% Conversion Rate", Craig Danuloff of Commerce360 discussed why he thought the companies in the retail report had achieved such high rates. Here's a sample:

"Three firms sell flowers. Who comparison shops flowers? What would you compare? If you just did something stupid, or tomorrow is 'the day' and you just remembered that, you buy the flowers."

"QVC. What's their conversion rate for TV viewers? Their website is functionally a cart, so it could be argued that they've got 86.2% cart abandonment." ^{1a}

His article certainly made many valid points. Some people apparently don't comparison shop certain products. And sites like Amazon and eBay are known by just about everyone that doesn't live in an insular Communist society – so it shouldn't come as too much of a surprise to learn they have conversion rates approaching 10% or higher.

So then, given that many people seem to be struggling to get past 1% or 2%, and that the ones with 10% or more appear to be the big players like

Tickets.com and Amazon.com, it's not unreasonable for someone to ask,

Is 10% or higher conversion rate realistically achievable for you and I, or do you need to be Amazon to get anywhere close?

As you can probably tell by the title of this report, it certainly *is* possible for anyone to achieve very impressive conversion rates well above the "average".

Indeed, hitting that magical figure of 10% isn't nearly as difficult as might first be imagined.

However, it may involve making some dramatic changes to both the way you *think* about marketing and selling, and the way you *do* certain things.

First, let me explain what motivated me to write this report, and you'll see what I mean.

As well as several years marketing on the Internet, I've also worked in the field of *direct sales* (i.e. face to face selling) , where order values were a lot higher than the average sale on the Internet (we're talking *thousands of dollars* per sale), decisions were gained on the same day as the initial appointment, and the conversion rate of sales to appointments was typically 20% to 40%.

And that got me thinking. How is it that a \$7,000 product can be sold face to face with a 20% to 40% conversion rate, and yet so many people are struggling to achieve even 1% or 2% (let alone 10%!) on the Internet?

The medium is different, of course, and there's a lot you can do when physically in front of the customer that is harder to replicate on the Internet – but quite frankly, I think there's a lot more to it than that.

If I were blunt, I'd say that the direct sales company for which I worked had a much better grasp of the psychology of marketing and selling, than many people marketing on the Internet! (I certainly learned a lot from them.)

And this is the reason I wrote this report. It's certainly possible to achieve a much higher conversion rate than the "average", but it means understanding that there are a lot more factors that go into building an impressive

conversion rate than one might realize.

Marketing and selling is like a big jigsaw puzzle. Many marketers have a good grasp of certain important pieces, such as “copywriting”, “viral marketing”, “split testing”, “search engine optimization” and so on. There's certainly no shortage of experts for each piece of the puzzle.

However, very few marketers – even the so-called “gurus” - fully grasp all of the pieces. And as each marketing and selling component is just one aspect of a bigger picture, unless you grasp the big picture itself, and how each of the parts work within the larger framework, your business will always operate at less than its full potential.

It's like a car. If one part breaks down, the whole car will either break down, or run less efficiently.

Let me give you a few quick examples of what I mean:

You can have the best sales copy in the world, but if you get a reputation for offering bad customer service, only the bravest or most ignorant may end up using your product.

You could test every element on your site using the latest testing techniques, but if you're not testing the right things, you could making absolutely no impact on your sales.

You can have the best sales funnel, but if nobody visits your site, you're not going to make many sales.

What's Coming Up In This Report?

Now, this report might seem a little “disjointed” at times, so let me explain what you can expect, and why everything appears in the order it does.

I'll start with the most important piece of all – the product itself. This can really make or break your conversion rate, so in Chapter 2 I'll show you how to build a product that will sell easily; or if you're an affiliate marketer, I'll show you how to pick winning products to sell.

In Chapter 3 we'll look at the different ways you can sell your product, and in

Chapter 4 I'll talk about why testing is so important. I discuss these things before getting into creating your sales material, so you can see the different options available to you. (In particular, my concept of "flow testing" may determine the format of your sales material!)

Chapter 5 will consider the concept of "pre-selling", and how to use a web site, blog and email list to warm up your potential customers. This can be done even before you have a "sales letter", and it's much easier to sell to people who have been pre-sold!

In Chapter 6 I will show you how direct sales people achieve 20% to 40% conversion rates, and how you can apply their techniques to your online sales. You'll gain some profound insights into the entire process of selling, which will enable you to create a much more powerful online sales channel.

You'll understand why things such as "understanding states", "closing doors", "price conditioning" and "price justification" are so important, and how to create credible offers that *really* work in creating urgency and utilizing fear of loss. (You'll laugh at those "Buy by midnight" lines after reading this chapter).

Only then will we get into creating the sales material. The reason I don't discuss this in detail until Chapter 7 is because I want you to understand exactly what your material needs to achieve, and what techniques you can use to achieve them.

By this stage, you'll have the knowledge to create a really powerful sales and pre-sales process, so from Chapter 8 onwards we'll look at the other factors that go into building a high conversion rate.

For instance, most people marketing and selling online *think* they know what "word of mouth" is, but in Chapter 8 I'll reveal two powerful "secrets" of word of mouth that, when applied, could send your conversion rate through the proverbial roof.

And in Chapter 9 we'll look at ways of using your existing customer base to boost your sales and conversion rate even more.

Finally, in Chapter 10 I'll share with you a few more bonus tips, and then I'll attempt to fit all the jigsaw pieces back together again in the Conclusion.

Who Will Benefit From This Report?

Anyone who is making money, or wants to make money, via the Internet should read this report.

It's for the blogger who wishes to make more money from their blog, and who wants to fully realize how blogging can be a major component in the bigger picture.

It's for affiliate marketers who wish to understand how they can be in more control of their affiliate earnings than they ever imagined – and perhaps even create a product of their own.

And it's for marketers who are selling their own product or service, or are thinking of doing so, to help them see that literally every aspect of their business, from the product itself, to their own attitude, and their existing customer base, has a positive or negative impact on their conversion rates and profits.

Before you delve into the rest of this report, I should add one little disclaimer. You won't find the answer to *every* technical question here. I have avoided giving technical details of some things (such as "how to set up an autoresponder sequence"), because those kind of details would double the size of this report.

The answers to technical questions are usually a quick Google search or a quick forum post away. Instead, in this report I want to focus on the "bigger picture", which after reading, I hope you will see with greater clarity.

Finally, I should point out that in this report, when I use the term "product", I am referring to either a product *or* a service.

2

The Product: The Thing That Will Make Or Break Your Conversion Rate

So let's start at the beginning. The single most important influence on your conversion rate is the thing that is probably the least discussed by marketers, and that is the *product* itself.

In his book "Endless Referrals", Bob Burg recounted his experience with the friendly local dry cleaning company:

"No matter how well people know us, like us, and trust us as a person, we have to be able to come through for them when they give us their business or referrals. If we can't or don't, we'll be in danger of losing not only their direct business but that of their 250-person sphere of influence as well.

For instance, there is a dry cleaning company in my town. The owners and employees are lovely people who I believe try to do a good job. However, it just doesn't seem to work. Personally, I can honestly say I know them, like them, and trust them. Trust them, that is, to do practically anything in the world for me – except clean my suits.

Now, the fact that they happen to be dry cleaners doesn't work out particularly well for them. They nearly ruined three of my best suits. They seemed to have trouble following instructions as well. I would tell them that I wanted very light starch on my shirts, but when I'd arrive to pick up my clothes, my shirts would practically be standing at attention waiting for me. It just didn't work out.

After a while, despite my positive personal feelings about these people, I felt I could no longer justify either doing business with them directly or giving them my referrals. If they were anywhere close to their competition, they would, to this day, continue to get my direct business as well as my referral business. But they are not, so they don't. Again, all things being equal, people will do business with, and refer business to, those people they know, like, and trust." ^{2a}

This is a great example of how the product or service itself had a massive effect on sales – immediate sales, repeat business and recommendations.

Just think of the repeat business and referrals they were losing, and the negative word of mouth they were generating, simply because their "product" wasn't even "anywhere close" to their competition – and this coming from someone who knew and liked the owners personally!

To repeat, the single biggest impact on your conversion rate will ultimately be the product itself.

Now, consider it from the point of view of the seller - which one do you think is easier to sell? A *great* product, or a *lousy* one?

Here's what I can share with you from my experience in direct sales. On their own, potential customers may not be able to tell whether your product is good or lousy – after all, the salesperson is hardly going to tell them it's lousy, are they?

However, what often made the crucial difference was whether the potential customer knew *someone else* who had used the product.

It was a great deal *easier* to sell to Jim when his friend Bob had used our product before and was happy with it; and ten times *harder* to sell to Jim if his friend Bob had a bad experience with the product.

So I'm not saying a lousy product can't sell. I'm sure we're all proud owners of a few of them, so *somebody* at least is buying them!

On the other hand, there are *many* reasons why a great product can potentially outsell a lousy one – word of mouth being one reason. Repeat business being another. Less refunds being yet another.

Of course, none of us are selling lousy products, are we? All of our products are the best things since the device for slicing bread was invented. They are the pinnacles of perfection embodied in product form, and any tweaking would simply destroy the symmetry, beauty and poetry of our creations - right?

The fact is, if we're honest with *ourselves* (possibly the most difficult thing for a marketer to do), there's almost certainly room for improvement with our products. It might simply be a question of a little tweaking and refining - with others, well, it might mean nothing less than a complete overhaul.

In this regard, each of us face differing situations. For example, if you're an affiliate marketer, you may have little control over the product itself – but you still have control over what products to promote.

So let's look at the critical issues that most of us will face at some point –

whether you're a blogger who is currently generating revenue from a third-party ad network (such as Google AdSense), an affiliate marketer who is selling other people's products for a commission, and those who have developed or are thinking of developing their own products.

The three key issues are...

- How to develop a product that is going to be easy to sell,
- How to pick an affiliate product that will sell, and...
- How to find out the best and worst aspects of your own products to improve your sales and conversion rates.

We'll tackle the first two right now, and come back to the third later on.

2.1 How To Develop A Product That Is Virtually Guaranteed To Convert Well

First, understand that there are *no* guarantees in life – except perhaps death, taxes, and that you'll probably make it to Stage 2 of that Reader's Digest prize draw. Hence the phrase, “virtually guaranteed”.

Let me share with you a few things about myself. I've sold many successful products in my time marketing on the Internet – and quite a few that have fallen flat.

One of my problems used to be that, I'd come up with what I thought was a great idea, jump right into creating the product, and then I'd try and sell it. Some would sell very well, others wouldn't.

Now, this approach can work if you have a strong marketing channel, but it's very “hit-and-miss”, and spending time and money developing a product that isn't going to sell is a waste of your resources.

Nowadays, I have a much better idea of what works and what doesn't, but the very best thing you can do before you even *start* to make a product is to do some market research.

Fortunately, it's much easier than it sounds. You just need to follow these

important steps:

Step 1 – Get the idea

This is easiest if you have pre-existing customers or subscribers, because you can simply ask *them* what they would be inclined to buy – or better yet, find out what they're already buying.

A powerful technique talked about by Paul Myers in his report [Internet Marketing ESP](#) is to present your existing contacts with a survey listing a series of hypothetical products, and ask them which one they would be most likely to buy.

You'll often be surprised with the results, and it will give you raw data on which ideas are going to be the most successful, as well as an indication of what kind of sales you might expect.

If you don't currently have customers or subscribers, find a forum populated with your potential customers, and ask them for their opinions on whether they'd buy a product you were thinking of developing.

The advantage of this method is that you can get additional feedback on your initial ideas. For instance, if you're planning on writing an ebook, you could outline your ideas and get suggestions for other subjects that could be included.

The downside of this method is that, if the forum is public, other people may end up stealing your ideas. (Ideas alone cannot be copyrighted.)

In particular, keep an eye out for *problems* that people might face on a regular basis, because a lot of the things people buy are *solutions* to those problems.

Step 2 – Find out if there is a demand

In the UK there is a popular TV show made by the BBC called [Dragon's Den](#), in which budding entrepreneurs get to pitch their business ideas to a panel of potential investors called the "Dragons".

More often than not, the entrepreneurs leave empty-handed, and one of the most common reasons for not getting an investment is that, no matter how great their product might sound, it simply hasn't got a chance of selling – at least, not on the kind of scale that would excite a Dragon.

To be fair, the Dragons are looking to invest in products that are going to generate them big returns fairly quickly. Many of the people that come on the show are looking for big investments for a business idea that will only ever generate a sole income.

The other reason for not getting the investment they ask for is that very often they come up with solutions to problems that *don't really exist* in the real world.

The inventors are excited by their inventions and they think there's a big market for it. The Dragons, on the other hand, point out that while there might be a big market, there's really no *demand* for such a product, because the problem doesn't really exist for most people.

So after coming up with an idea for a product, the next challenge is to put yourself, metaphorically speaking, in front of the Dragons, and find out whether there's an actual *demand* for your potential product.

If you find out that a lot of people are talking about the problem, then there could be a potential demand for your solution.

If you've used the survey technique I mentioned earlier, you already have a rough idea of whether there's a demand or not, because you're building a product that your customers and subscribers most wanted.

There are other ways of establishing whether there's a demand – including evaluating your competition, and pre-selling the product. Since these are important steps in their own right, let's look at the first of these now.

Step 3 – Evaluate the competition

This step is critically important for several reasons. First, it can give you an indication of demand. If there's lots of competition, there's likely to be lots of *demand* as well. For example, in the home improvements industry in which I worked as a salesperson, there were literally *hundreds* of competitors,

because the market was so big!

Second, it's important to understand who and what you're up against – not just in terms of who they are, but also in the sense that *more competition gives customers more choice*. And more choice can make it harder for a customer to decide where to spend their money. In other words, you're competing not only *against* the other company, but also *for* the customer's attention and choice of you over your competitors.

Third, it increases what I call your “marketing intelligence”, as you learn about their products, and the techniques they use to sell them. This alone can give you product ideas, or at least ideas to enhance your own.

Questions to ask when evaluating your competition include...

Who are they? Are you competing with a large multinational corporation, or Joe Bloggs, the friendly jack-of-all-trades?

What do they sell? And besides the product which may be competing with yours, what *else* do they sell?

How do they sell? Do they have sales reps? An affiliate program? A large advertising campaign?

Who is their target market? Is it the same as yours, or a little different? Where do they advertise?

What are their current “unique selling points” (USPs)? What differentiates their product from the rest? This brings us nicely to the next step...

Step 4 – Develop your “unique selling points”

A **unique selling point** (USP), also called a *unique selling proposition*, is basically something that differentiates you from your competition, that is presented in an *advantageous* way to your customer.

All other things being equal, USPs are essentially *reasons* a potential customer should place their order with you, rather than somebody else.

Thanks for reading the sample! Now grab the full version:
<http://emoneymarketing.com/TenPercentConversion/>