Module 10 – Predictability and Statistics

Key Performance Indicators

Throughout your entire funnel (from Facebook / LinkedIn ads to making a sale) you'll want to gather information that lets you know how you are performing.

It starts with your advertisements, then to your landing pages, how you are performing in your webinars and in your introduction sessions. For each step in your marketing and sales funnel, you can determine how you are performing. Below are some of the key performance indicators that will help you determine where in your funnel you need to make changes or where you can scale up with a high predictability of success.

This is a process of experimentation and gathering evidence of how you are doing. If you don't do anything, you can't improve on it either. This makes it even more important that you don't have to have everything perfect upfront. You have no way of knowing how your potential clients are going to respond without interacting with them!

Click-through-rate

The click-through rate (CTR) lets you know what % of people who see you ad also click on the ad to go to your landing page. Don't worry if this numbers seems low to you, if it's higher than 1% (preferably closer to 2%, though) you're good to go.

The CTR will depend on how attractive your headline and image are, and if the text in the ad is a great call to action. This is where split testing comes in handy. You can test out whether an image or a headline, or even a specific combination of headline and image, performs better than others. Once you know which one performs best, you can upscale that one to get better results.

Cost-per-click

The cost per click (CPC) tells you how much money you are paying per click. Preferably, your CPC will be between $0.1 and $0.8. But this will also depend on how detailed you can target your audience. The harder it is to specifically target your audience, the higher your cost-per-click will be. This might not be a problem, though, if you have a high application rate.

Ad Relevance Score (Facebook)

This score (0-10) tells you how relevant Facebook deems your ad for the audience you chose. A low score tells you that you need to make some changes to your ad. It might be making your headline and text more specific, or to be more specific in your target audience. It will also tell you when you need to change out your ads if the score starts dropping.

Landing Page Conversion rate

Once someone clicks on your ad and is re-directed to your landing page, they have a choice of leaving their email address or not. If your landing page conversation rate is low, then you probably don't have an appealing call-to-action. So you'll want to make some minor changes to your landing page to see how that changes things.

If you have Thrive Themes, you can use Thrive Leads to get your conversation statistics. If not, you can use something like clickmagic.com to get this information.

Cost per lead

How much are you paying for each lead? If your cost per application is really high, then check your cost per lead. If this is really high as well, then you know that you need to do something to bring that down. This, in turn, might have something to do with your landing page conversion rate or the response you are getting on your ad.

Cost per application

The cost per application will tell you how much money you need to spend to get an application. If you have a high conversion rate on your application, you might be ok with paying a bit more on your cost per application. Especially if they are higher qualified leads. If your cost per application is too high, you'll need to look at your previous statistics as well as your call-to-action for your application. If all your statistics like CPC and cost per lead are ok, then you'll need to tweak how (and when) you call your potential lead to action to schedule an appointment.

Application conversion rate (# of sales / #applications)

How many applicants will actually buy? You conversion rate will say something about your effectiveness during your introduction session. However, it can also be related to the quality of your leads. As an example, when I first started out with Facebook ads I forgot to mention that I am looking only for NLP and professional coaches. I was getting applications for people who weren't doing coaching at all. They were doing consulting or teaching, yet called it coaching. So I needed to make a change in my ads to get higher quality leads.

Cost per sale

If you had to spend $1000 to make $4500, would you do that? You still might think that cost is a bit high, but making $3500 is better than nothing. Right?! In any case, you need to know how much you spend on marketing and sale and whether it makes your business viable. When you are making more money than you are spending, you're earning income! And that's a great foundation to try and figure out how to bring your cost per sale down.

Sales per lead (#sales / #leads)

What is your % of sales compared to the amount of leads you get? This % is usually around 1-2%. This number will let you know how many leads you need to get in order to make a sale.

Interpreting the Statistics

The statistics themselves are only indicators. They don't actually tell you why, for example, and ad is not performing. So you'll need to make small tweaks to see what make the difference. There's no need to completely change your entire process. Success is much more about making incremental changes and seeing how that change effects the scores.

This list of key performance indicators in by no means exhaustive. It will, however, give you a great start. If you're going to networking meetings, what will be your KPI? What will indicate success? And how about doing a webinar?

Customizing Your KPI's

I'd like you to start thinking of ways to measure the performance of your own unique marketing and sales funnel.

1. What KPI's will you set to keep track of your performance?
2. How often will you track your performance? (daily, weekly, bi-monthly?)
3. What beliefs and attitudes will help you in your journey to create a predictable cycle? What beliefs are currently getting in the way?