



# The 80/20 Rule Of Classic Marketing

Classic marketing is mostly geared towards the idea that 80% of sales come from 20% of top customers. That's called the 80/20 rule. That's why when you walk into two different stores in a mall, they may have slightly different merchandise, but often it is very similar. They are trying to market to the mass of people whose tastes are mainstream and easy to predict, leaving less room for variety and innovation.

In a recession, the 80/20 rule becomes so overwhelming that stores reduce their inventory into very narrow niches in order to market to the customers who are going to buy the more popular items and trends. Anything other than that is seen as a waste of display footage and an increase in rental space costs. This works well for them to keep costs down and sales up. However, that strategy also leaves a very big opportunity for online marketers to exploit the lack of diversity and novelty in mainstream retail stores by just doing the opposite: marketing to the "long tail."

## The Long Tail

The long tail is the other 80% of customers who aren't going to buy the most popular or mainstream taste items. They might need a little extra coaxing and whole lot more variety to make up their minds to part with their dollars. In a retail store, marketing to these people can take far more time, space, and money than it is worth. However, online, it is a perfect area to exploit without incurring inventory costs or having to hire additional staff.

Marketing to the long tail means that you are going to offer a much wider selection online than anyone can possibly do offline. How are you going to do that and not have to warehouse everything that may or may not sell? The answer is simple. Online, one can represent a product via an image or virtual representation that doesn't necessarily have to be directly in your inventory to sell. Instead, you just have to know where to locate it and how to get it shipped to the customer in a reasonable amount of time. That way, you can manage a very large inventory of products without having to buy them ahead of time to place them in a real, physical, inventory.

This makes it easy to offer products with a wide range of features from color choices to sizes. Now, that person that wanted that raincoat in hot pink and has searched far and wide in retail stores can hop online and instantly find it in your store. When you offer that type of variety that an offline retail store will find hard to duplicate, you gain loyal customers who will think to come to your online store first before looking elsewhere.

# How Salesmanship Differs Online

Even so, you may have to coax that 80% a little more to buy your stuff. They are a picky lot who may decide to research other online stores before they buy. In classic marketing, you would have a staff person attending to that customer to find out what they need and then matching his/her need to some product or service the company sells. Online, there are no virtual sales attendants, so how are you going to guide people without having to hire someone to man a phone line?

## Use Search Engine Techniques

Luckily, search engines are a major strength of the Internet and can be used in your Internet marketing techniques to not only draw people to your site, but to help them make a selection. First, put yourself in the shoes of a potential customer. If you are the lady looking for the pink raincoat, wouldn't you go to a major search engine first and put in the words "pink raincoat"? Or, if you had a specific designer in mind, you would add that word too to your search engine query. That's why it's important to use descriptive keywords and know what people are searching for to get the most hits to your sales pages from larger search engines.

This way, even if someone had no idea what your website name was and that it sold pink raincoats, you would still pop up in a search engine result page as a place to go online to find one. If you want to find out what other synonyms or terms are entered online so that you can use them within the copy of your sales page and draw eyeballs from Google, you can look up their keyword tool and look at the terms being searched online. Find a few that have low competition and are highly searchable to include in your copy, within 1 to 2% of the content of the page, and you will place higher in the search engine result pages when people go to search for those terms.

Index your pages with as many descriptive keywords as you can think of that someone might search. This is not only for the major search engines, but also to help people find things through your own search function that you'll want to make available to customers who visit your website. The search box is going to be like your friendly salesperson. It's going to allow customers to go straight to what they want to buy and to find a listing of similar products that they might be interested in. Always include a search box as a basic strategy that markets to the long tail. Remember that these people are going to have very definite tastes and will want to have a large selection to choose from. If you don't put in a search box, they will have to first find the right product category, then the right product, and then search through them to find one in the right color, size, style, or anything else that they want. If you

want to see examples of search boxes that offer just the right way to search, take a look at any major appliance manufacturer. They will normally try to take into account numerous features a person might be searching for and make it easy to find via a search box or via very well defined categories.

## **Objections And Benefits**

In classic marketing, a salesperson can't wait to hear an objection so they can overcome it and close the sale. Online, however, it's like a catch-22: If a person echoes an objection in the middle of an Internet visit and no one hears it, does it still exist? Fortunately, we know that it does. People will always have objections to buying products; they just won't be able to voice them to you directly. You will have to have a good idea of what those objections might be and then publish the benefits that can overcome these objections.

Sales pages on the Internet tend to be really long affairs. While you'd never think of listing every possible benefit if you were face-to-face with someone, you do want to list every possible benefit online. That's because you don't know who is visiting your site and which objection they might have. Listing them all, thus, takes care of any possible objection one might have and also gives the perception of a very high-value product.

## **Closing The Sale**

Closing a sale online can take a bit more technique than a face-to-face meeting. The offer has to be so good that people will jump at the chance to get it. Otherwise, if given enough time to think about it, they can easily jump to another site and compare features and prices, to your detriment. In many ways, closing a sale online is going to invoke the best of classical marketing techniques, understanding that if the sale doesn't close, the next best thing is a sales lead.

Unlike a regular face-to-face meeting, when someone comes to your sales page online, you will not have any means of identifying that person. You can't see what he/she looks like, won't be able to ask him/her what he/she wants, and you will definitely have no idea where to contact him/her. If you are trying to close the sale to get that information, you are missing a valuable opportunity to get the sales lead, even when you don't make the sale.

The easiest way to do that is to automate a pop-up form that offers him/her something for free as he/she is leaving your site, in exchange for his/her email address. This way, even when you don't make a sale right at that moment, you still have a way to market to him/her later. Otherwise, once he/she is gone, you might not have another opportunity to get a hold of him/her again. It's not always about closing a sale online. Take time to build

a relationship, offer something of value, and continue to market to him/her until he/she is ready to buy.

# Digital Word of Mouth

In classic marketing techniques, referrals are limited. You can ask your customers to refer you, but unless you're willing to pay them substantial referral fees, the odds that they will refer you are spotty. Human nature is that most people won't do something unless there's something in it for them. On the Internet, however, you can literally have armies of people referring you, and they might not even be your customers! All you have to do is know how to exploit the digital word of mouth.

There are many ways to get noticed on the Internet, but having someone vouch for you is the best way. People pay attention to what their friends like and who they promote. You can use that knowledge to create sales campaigns online that will make it easy and even profitable for people to refer business back to you online.

## An Army Of Affiliates

One such way is to create an affiliate program and recompense people for promoting your offers online. Unlike a word-of-mouth referral, the pay can be per click or performance-based, depending on the affiliate network you use. Either way, you will not be paying hundreds of dollars for just one lead; you'll be paying a few dollars apiece and have an army of willing Internet marketers who want new affiliate offers to promote eagerly advertising for you.

If you're really smart, you'll want to create a multi-tiered affiliate program that not only rewards people for advertising your links, but also for referring other affiliates to you. That way, you'll spend less time recruiting and creating advertising campaigns and let other people do the work for you. All you have to do is to provide a commission on the sales of the recruited sub-affiliates to the main affiliate for a specific period of time to motivate them more to recruit for you too.

## Easy Promotion To Friends Or Followers

Make it easy for others to promote your sales or offers. Give them a little something back, like a referral bonus, for everyone they get to sign up. One way to do this is to have a referral sign-up area where visitors can add multiple email addresses to friends who might want to take advantage of some service you offer. Provide a template of the email that will be sent out when they add the email address to list and give a sign-up bonus for each person that takes the bait.

Use the power of the Internet to find new people to add to your contact list. Instead of buying lists from third-party companies, try to build your own organic lists. This would be very difficult to do offline, but online, the opportunity to connect with people who might be interested in your products or services is much easier. You can even take advantage of the newer social networking communities to facilitate the addition of friends and followers to your marketing activities.

If you've never gotten into social networking, now is the time to start. It's as simple as registering with places like Twitter.com or Facebook.com. Depending on the demographic you are trying to reach with your products or services, you might want to try out a few. Places like MySpace.com tend to draw in a younger demographic than Facebook, which originated as a way for college students to keep in touch. Twitter can reach a wide range of ages, but it's a bit trickier to draw in a targeted demographic, specifically for that reason.

Registering with these sites is free. You are not allowed to solicit people, but the point of joining them as an Internet marketer is to build your contact list, not necessarily to solicit them on the site. Once you have a bigger list of contacts, you can start engaging techniques to pull people off the other sites into your own online marketing ventures so as not to violate the terms of service agreement you have with each site.

After registering, you will want to post a profile on each site. There will be an area there for contact information and URLs that you can use to promote your different activities online. Always seek to aim your profile at the demographic you are trying to market. This will help you attract friends and followers who will be interested in what you have to offer as a business person, not just as a personal contact.

## **The Art Of The Soft Sell**

Marketing yourself online is much different than classical marketing models offline. If you tried to use the same approach as a television commercial or the copy on a sales brochure, you would quickly find that this approach just doesn't work very well. People are quite jaded about being marketed online, and there are strict guidelines about how you can market to people there too. Whereas you might have the ability to buy mailing lists offline and send out postcards or advertisements to any house on that list with impunity, you will quickly find that the same is not true online. You can buy lists of email addresses from third-party vendors, but spam these addresses without their permission, and you can get in trouble and fined, not to mention that people will be pretty put off by the spamming.

For that reason, and many others, you have to really be careful on how you market people online. If you were to get on a social networking site and

instantly start to solicit people, the end result would be that the administrators would ban you as a marketer, and you will have gotten nowhere for all of your troubles. You have to start to learn the casual art of the soft sell to succeed online. Soft selling doesn't have to be timid, but it can't be as hyper-aggressive as most classic models of marketing. You aren't going to be hammering people down until you make a sale. You are going to be building long-term relationships online that will produce fruit ONLY after a period of time. It may seem counter-productive to spend time cultivating relationships instead of instant sales, but in the end, it will pay off as people become loyal followers and friends and send other people your way due to your authentic approach.

## **Email Versus Snail Mail**

The cornerstone to your approach for beginning the soft sell is always the contact list. Without the contact list and permission to contact people on the list, you will not get anywhere. You can buy lists, but half the time, the email addresses will be obsolete, fake, or not within your intended demographic. Plus, you take your chances subscribing someone from a list to your email campaign without his/her permission. It will quickly get you tagged as a spammer and can make you liable under Federal laws for damages.

Snail mail, though, is really old-fashioned. If you had to go back to that, you would find out that there are large expenses associated with sending out mass mailings, only to receive a paltry number of responses. It's also not terribly easy for people to reply as they have to switch mediums, from paper to online, or send something back in written form and put a stamp on it. In this day of convenience, snail mail is a highly inconvenient and expensive way to do your marketing.

Email, on the other hand, is free. No matter how many copies of an email you send out, it will be digitally spread and there are no stamps, packaging, or mailing efforts associated with it. When people receive an email, they can instantly reply, and it doesn't cost them anything either. If you have embedded links to your offers and sales, they don't have to put down a piece of paper, log in, and then find your website. They just click the link and they're there. It's a highly convenient and inexpensive way to market to people, but it does take some degree of responsibility to use this medium properly.

## **Growing Organic Lists**

The big thing these days in Internet marketing is learning how to grow "organic" lists. These lists are lists that are homegrown and are very finely tuned to the demographic you are marketing to. They are authenticated lists with people who are genuinely interested in what you offer and what you have to say. The larger your organic list, the more potential there is to

market your products and services to a wider audience with a simple click of a mouse.

Getting online on social networking sites is one of the most powerful ways to start building an organic list. However, you won't be able to directly solicit people on these lists until you get their permission to contact them outside of these sites. You might even be able to see a contact email address from within the site, but these people make it very hard to harvest email addresses. They make them image files that you can't automatically cut and paste into an address book, or they simply hide them (based on the users' preferences).

That doesn't mean that you can't get contact information; it just means that you are going to have to build the relationship to get it. You will want to update people using your status bar, posted links, and even using third-party applications to let people into your life so that they can get to know you. Once they find you interesting and worthwhile, they will contact you or click the links you provide to learn more and more about who you are and what you do. If some of those links go off-site where they can opt-in to get a freebie in exchange for permission to be added to your organic email list, then you will start to reap the benefits of creating a large group of followers or friends on these sites.

## **Double-Opt In Lists**

Put in place a double opt-in list if you have a choice. These are lists that are created only when a subscriber has authenticated the addition of his/her email to your list via replying to an authentication email your system sends out. This does several things. It keeps people from adding fake addresses to your list in an attempt to get a freebie for nothing. It also keeps people from insisting that they did not give permission and that you are spamming them. Double opt-in lists protect you as an Internet marketer and keep your lists authentic.

Double opt-in forms are very easy to implement on any sales page you put up. They not only serve the purpose of filtering people off the social networking sites and getting authentic emails that you can market to, but they also work well for the random visitors to your sales pages who got there via the search engines. Typically, the shorter the opt-in form, the more likely someone will sign up for it. You can make longer forms to capture snail mail addresses, but these are not likely to generate the same results as a simple email capture.

Keep your opt-in forms short enough to get an email address and not too much else. You can always request that a person update his/her information once he/she has been added to your email campaign. Otherwise, you may

lose the opportunity to connect with a new person simply because he's/she's not willing to hand out any more information than an email address.

## **One-To-Many Relationships**

One of the biggest differences between a classical way to market and sell to someone and doing so on the Internet is the ability to market to MANY people simultaneously with the same effort you put out for just one. In a classical marketing model, when you market to people for a physical product or service, you are limited to the business hours you are open, the amount of inventory you have, and how many staff members you employ to service those clients. Online, all that gets thrown out the window, if you know how to do it right.

### **Changing Your Model To One-To-Many**

It doesn't matter if you are in a service-oriented business providing consultations or selling widgets, the key to succeeding with Internet marketing is to concentrate on mass-selling online. No matter what you do, you are going to have to embrace an entirely new way of doing business that can cater to not just 10 or 100 people a day, but to thousands or even more. Let's take a quick look at how you might do that if you were a life coach trying to make a living offline and how your marketing needs to change to bump your profits into the stratosphere online.

Reasonably speaking, if you are a life coach and you are marketing your service offline, you have a list of people who have hired you to help them create positive change in their lives. You charge by the hour, and you have a set number of clients who keep coming back to you, month after month. When you get new clients, they are usually through word-of-mouth or through advertising in local papers and magazines. If you generate too much interest and don't have the hours to serve everyone, you may have to turn some people away. You are limited by the number of hours you can work, the amount of people who you can see, and as you grow, you incur larger expenses. You might get a front desk receptionist to screen calls so you can spend more time consulting. You have to rent an office where you can meet clients. It's all sounding more and more expensive, and obviously, limiting your income.

Now, take this same service and put it online. What are your customers really buying? Are they buying your time or your expertise? Obviously, they want a little of both, but many can do just fine learning from you without actually having to meet with you. What will your new online business look like?

Forget the office. Kick that major expense off your list right away, unless you really want to continue seeing people face-to-face. Realize, however, that every person you see face-to-face is going to take much more of your resources than can possibly recompense you for your time, unless they're willing to pay quite a bit for your time. Instead, you are going to concentrate on marketing your expertise, not your consulting time. You are going to look at grabbing as many people who want to do business with you and having something you can offer to them that takes up very little to no amount of time from you. This can be in the form of informational ebooks, CDs, or DVDs that are delivered automatically to their email address once they buy.

When you contact one person now, you will contact all of them. Create a sales marketing campaign that starts with harvesting an email online and then introducing yourself virtually online. After that, add a sales funnel whereby you market to them via the email they've used to inform them about the types of products and services that might help solve some problem they are experiencing.

The one-to-many model works because you are now not limited by the amount of time you can physically meet someone to help him/her with his/her problems. Instead, you are selling your expertise in virtual format that can be easily accessed by anyone with a computer and an Internet connection. Everything you do and know is being monetized for future profit taking. If you give a seminar to a group of people offline, you can videotape it and sell it to others or you can offer in a membership. You can even take snippets of that seminar, post them on YouTube, and use them as a teaser video that might interest people enough to click on the link and sign up as a new member to your life coaching site.

## **Tools And Services For One-To-Many Marketing**

One of the biggest differences with classic marketing and Internet marketing is how to exploit digital tools and services to increase your exposure online. Classical marketing assumes that you are going to use formats like television, radio, magazine ads, newspaper ads, and person to person word-of-mouth. Online, you have a larger variety of tools and services that can be implemented to keep your advertising costs low with the return on your investment high.

Some tools will be offered by third-party providers, like the Google AdWords tool. With other tools, you will have to locate and implement them on your own websites. Anything that automates your site is going to help you in the short run, but only systemic approaches that centralize your business processes are going to allow you to run a digital empire online. Try to find tools that encompass a large number of functions on your site and that work together harmoniously.

Types of functionality that will help you implement one-to-many marketing strategies online are:

- **Membership sites** – These are the best sites for harvesting emails and for getting people to be put into a sales funnel right away. They can also work well to give you a direct way to contact many people at one time with much less effort by using discussion forums and mass email marketing campaigns.
- **Email marketing tools** – Automate the entire registration and email harvesting functionality of your site. Use a double opt-in form and make sure you are growing organic lists.
- **Automatic delivery systems** – If you are marketing infoproducts, make sure you have a system that delivers the product immediately after payment. By not having to be directly involved in the fulfillment process, you can devote more time to generating more income through other activities.
- **Shopping carts** – In order to organize and catalog what you sell, you'll want to install a shopping cart where people can search your products online.
- **Payment processors** – Automatic retailers like PayPal will accept major credit cards over the Internet. If possible, get a system that allows multiple payment processors so if one is down, another will be up and you won't lose the sale.
- **Special equipment** – Get a video camera and sound equipment if necessary to create short videos. Understand how to make them available to a mass audience and how to monetize them.
- **Software** – Always be on the lookout for software or scripts that can automate the interaction between you and your customers.

## Getting Other People's Time To Work For You

In classic marketing techniques, you don't want your customers interacting too much with each other. You may want to use other people's money to help you invest and build your business, but you don't necessarily have a way to exploit other people's time. It becomes too laborious a way to do business, and it can create opportunities for other people to compete against you.

The same is not true with Internet marketing. Generally, the more exposure you get, the better. It can also be a simple process to exploit other people's time to your benefit. Automating functions and allowing people to find things

that you normally would pay staff to do is one way to exploit other people's time to your benefit. Another way is to allow members in your forums to interact and provide solutions and advice to other members. As long as you have clear guidelines for what they can and can't promote online, you have a way to let other people do some of the work of creating high customer satisfaction and providing immediate attention to their problems without actually having to get involved yourself. It's this form of "virtual online presence" that is always promoting your products and services. Whether you are there or not, good Internet marketing creates an image of professionalism, high customer service, and efficient business processes that will sell your products, whether it's at 2 a.m. in Bangkok or 9 a.m in New York.