

# Funnel Your Way to Marketing Success!

by Michael Daehn



A funnel is a good way to think of the marketing process. The top is very broad and consists of using mass marketing techniques. Mass marketing includes items like mass mailings, national advertising, billboards, and airing commercials during the Super Bowl. The marketing message is sent to a broad audience with little or no discretion. Mass marketing is very expensive, difficult to evaluate, and has a low return on investment. Mass marketing is a stab in the dark, like trying to find needles in a haystack. The next section of the funnel narrows the target audience into market segments. The communications still appeal to a large audience, but they are at least targeted to a specific market segment by means of the chosen media.

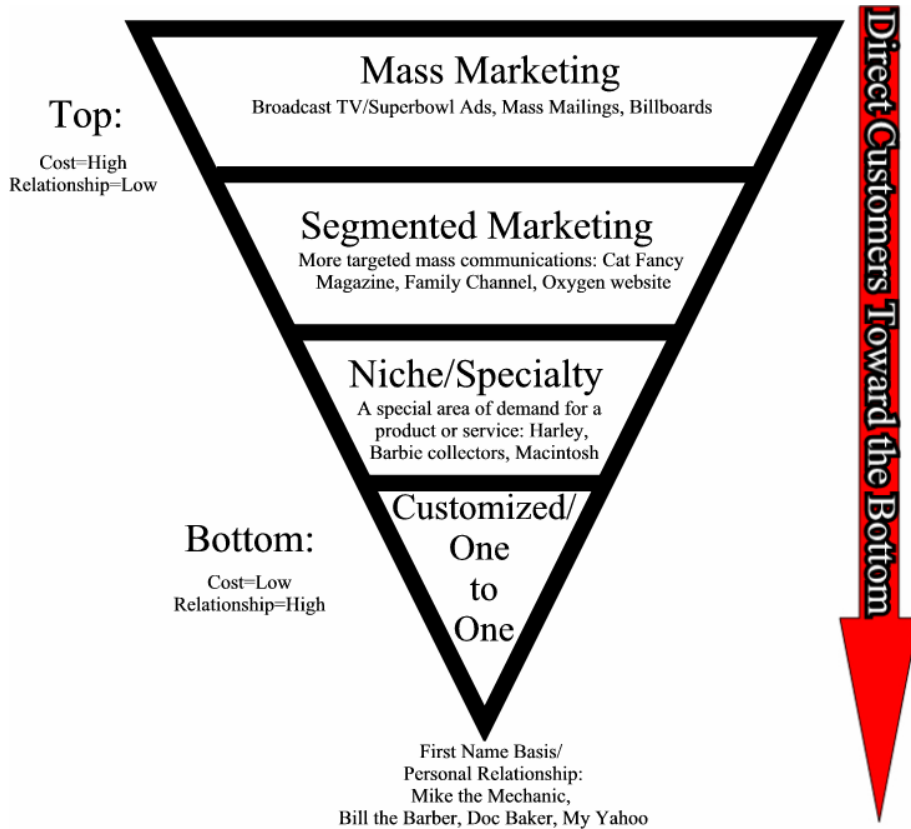
*Cat Fancy* magazine, ESPN, and the Oxygen website each target a specific segment of the market: cat lovers, sports enthusiasts, and women, respectively. Next, we narrow the target audience further into niche or specialty markets. Harley Davidson, Barbie, and Macintosh computers each appeal to a specialty area of the market. The bottom of the funnel is the customized or one-to-one area of the funnel. The consumer being on a first-name basis with the product or service provider often characterizes these markets. Mike the mechanic, Bill the barber, Doc Baker are all one-to-one relationships in which the customer and service provider know each other personally. Through the use of technology and mass customization, these relationships can be available on a wide scale such as in the case of the “My Yahoo!” page.

## ROI

ROI stands for return on investment. Every one of the techniques in the funnel will gain customers. The question is which technique will provide the greatest return on investment. A Super Bowl ad is sure to create interest and generate new customers, but at what price? The same amount of money spent at the bottom and targeted directly at ideal customers will produce a much greater return on investment. Two benefits of targeting the bottom of the funnel are the likelihood of a positive response and the kinds of relationships that are established. Relationships on the bottom of the funnel are more committed and not easily broken. One-to-one customers form the bedrock, the foundation, for any successful product line. These people are not likely to change to a competitor due to the mutual commitment they feel between themselves and the brand.

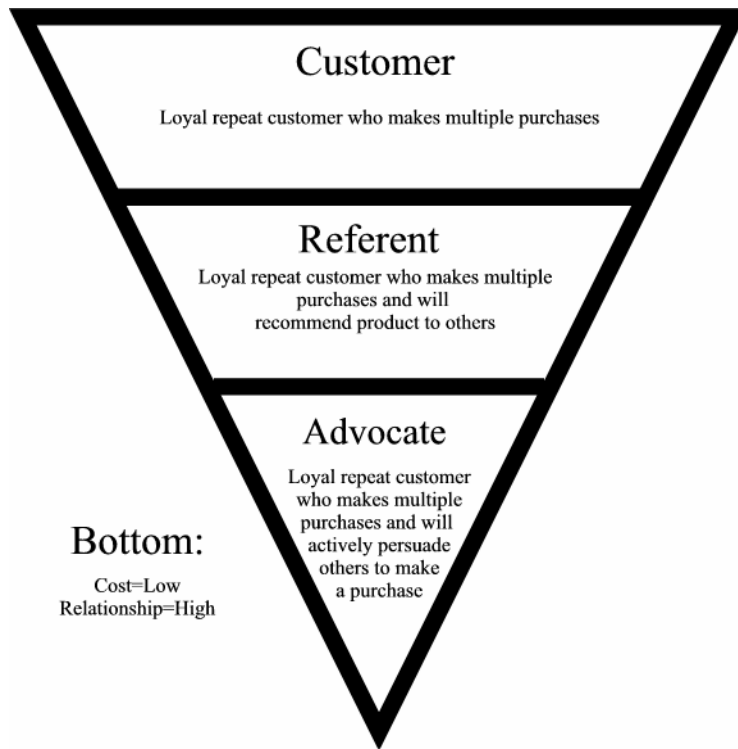
Customers at the bottom of the funnel can and should become your best marketing tool. They are positive multipliers that spread the word to friends and family. There are three levels of the one-to-one section: the customer, the referent, and the advocate. The customer will continue to buy the product and not switch to the competition. The referent will continue to buy the product and will tell others about the product when asked (give referrals). The advocate will continue to purchase the product, will actively promote the product, and will convince others to buy it. The goal of every marketer is to gain advocates for the product.

To summarize, the top of the funnel is the most expensive with the least return on investment and the least amount of consumer loyalty, while the bottom of the funnel is the least expensive with the greatest return on investment and the greatest amount of consumer loyalty. Getting consumers to the bottom is the goal. Marketers should always be guiding their consumers to the bottom of the funnel where the costs are less and the relationships are stronger.



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*The Marketing Funnel*©  
Phase I: Directing Consumers Toward the Bottom



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*The Marketing Funnel*©  
Phase II: The Bottom- Leveraging Consumer Loyalty

## Take it from the Top

Why would anyone market to a mass audience at the top of the funnel? There are three reasons marketers come in from the top of the funnel: lack of education, sloth, and lack of opportunity. The majority of people marketing products do not know anything about the marketing funnel. If you know anyone that needs to be a more effective marketer, I urge you to advocate this book to him or her. Millions of dollars are spent because that is just the way things have been done in the past, or that is what companies see from their competitors. If you want to lead the market, then innovate instead of imitating.

On the other hand, some people are too lazy to work on building these types of relationships with customers. Often it is easier to pay for a television commercial or a billboard than to figure out how to establish one-to-one relationships with thousands of target customers.

The final reason is lack of opportunity. Sometimes when marketing a new product, it is necessary to enter the market from higher up in the funnel. If this is the case, steer your customer relationships down the funnel as quickly as possible. For example, if you must enter the market by means of a national newspaper advertisement, link the ad to a customizable website or some other tool that allows the relationship to develop further and reduces the need for future mass marketing efforts.

Michael Daehn is the founder of marketingenious consulting and author of the book *The Seven Keys to Marketing Genius: The Complete Guide to Increasing Your Marketing IQ* available at [www.sevenkeysmarketing.com](http://www.sevenkeysmarketing.com) and [www.borders.com](http://www.borders.com). Visit his website at [www.marketingenious.com](http://www.marketingenious.com).