

KILLTHE SALES FUNNEL:

WHY YOU SHOULD RETHINK THIS MARKETING METHOD





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The sales funnel (a.k.a. purchase funnel) is a method that envisions leads learning little by little about their problems and how your brand can help solve them, gaining knowledge until they decide to buy a product.

When you read it like that, you can see the flaws in this method. The buying process is convoluted and full of ups and downs, obstacles, and anything else that distracts leads from solving their problems. Also, it simplifies the learning process as one with a start and finish, whereas learning patterns tend to be more of an unexpected rollercoaster.

This begs the question: should the sales funnel be killed off?

WHAT IS WRONG ABOUT THE SALES FUNNEL?

The sales funnel is a marketing staple, especially in companies with digital offerings designed to generate and nurture leads with engaging content.

However, from both a sales and marketing perspective, it does have its downsides. Firstly, some professionals (and brands) develop tunnel vision regarding the funnel, keeping prospects on hold since they haven't advanced from the middle to the bottom, for example.



Secondly, it can create an accidental overemphasis on one stage over another. Many brands focus mostly on generating leads at the top of the funnel, leaving their middle and bottom of funnel prospects hung up to dry.

The sales funnel is a metaphor for a lead's readiness to buy and it should be seen as such rather than a best-practice set in stone to guide your campaigns. In other words, your marketing should focus more on its audience and their needs rather than moulding campaigns to fit nicely in the funnel and its stages.





Is there a difference between the B2C and B2B sales funnel?

Both lead generation funnels share the same structure and phases (top, middle, and bottom), however, what differs between both is lead behaviour and the buying cycle.

B2C sales funnel

Typically, a B2C purchase funnel is quicker, with many top of funnel leads entering the pipeline. B2C companies rely heavily on advertising, partnerships, and influencers to get their products seen and as such, are constantly interacting with new prospects.

Thus, B2C companies usually focus on making a quick sale, with discounts and offers to incentivise impulse buying. This isn't as true in high-end, expensive products, such as cars, electronics, and domestic appliances—in these cases the consideration phase is longer, as the lead decides what solution is worth their investment.

B2B sales funnel

The B2B sales funnel has a <u>buying committee</u> that oversees the purchase, which causes the sales cycle to be longer than B2C, usually from six months to over a year. Therefore, a B2B sales funnel has a long consideration (middle) phase, in which leads discuss and ponder the best solution for their business problems.

Also, in B2B the stakes are higher for each purchase. In B2C, the maximum that happens is some regret, whereas the consequences can be more severe in B2B. Purchasing a bad solution may even lead to dismissal, depending on the implications. That is why marketers need to combat objections with personalised nurturing that assures leads that their solution is the right choice.

This also means that testimonials, such as <u>G2 reviews</u>, hold greater importance in the decision-making process as brands that underperform will almost certainly receive negative feedback. <u>Accolades</u> also help to prove the quality of your services.

In a nutshell:

Both sales funnels share the same structure, however, the B2B lead funnel has a longer sales cycle due to the buying committee.

Are your nurtured leads advancing to a sales conversation?

If not, find out how to effectively nurture leads in this month-by-month breakdown of the sales cycle →



HOW THE SALES FUNNEL MISLEADS MARKETING AND SALES TEAMS

We previously mentioned some of the issues that can arise from following the lead funnel with tunnel vision, but how else does it mislead salespeople and marketers?



Here are a few misconceptions the sales funnel might cause:

- Overemphasis on touches by leads: Touches are when a lead interacts with content from a brand. Depending on how the sales funnel is structured and scored, relying on touches alone can result in leads being advanced to the middle stage when in fact they are still in the top stage. This misidentification of lead progress can result in leads being pushed to a moment of the sales process in which they aren't ready yet.
- An overfocus on filling the funnel (rather than building relationships): Marketers can become overfocused on filling the pipeline; and salespeople zero in on closing deals with 'sales-ready' leads, discarding prospects that still require nurturing. It isn't uncommon for middle of funnel leads to be stuck in a forgotten 'nurturing limbo', never advancing to the bottom.
- Ditching leads after they become clients: By following the sales funnel, some brands forget about the 'brand evangelist' and 'post-sales' stage, which is essential to avoid churn and build a long-term relationship with clients. Since the funnel ends with the sale, sometimes this essential step becomes a mere afterthought.
- Creating content for the funnel rather than for your audience: First and foremost, your content creation should be guided by what resonates with your audience rather than making content fit into a funnel. The funnel adds structure by serving as a way to assemble your content in a logical manner during the sales process. However, don't create content merely to 'fill in blanks' if there isn't a proven need for it by your audience.

Are your leads taking months to move onto sales?

Learn the correct way to move leads down the funnel quickly



SHOULD YOU KILL THE SALES FUNNEL?

Rather than kill the funnel, reassess this method and see if your team is falling into the same pitfalls mentioned above.

If yes, consider re-focusing your strategies on the value of building relationships over that of filling the funnel for its own sake. A good way to fix tunnel vision is to guide your outreach with buyer personas, <u>psychographics</u>, insights from Customer Relationship Management (CRM), and social listening tools.

Thus, you are always mindful of the challenges and desires of your audience and, as such, develop content guided by those thoughts. This is a totally different process from creating content solely from a sales funnel perspective.



Then, after content is created, you can use the sales funnel to guide where it fits so that content can be leveraged as a gauge of sales readiness, rather than a key marker. Think of the funnel as a thermometer to *estimate* the propensity to buy rather than a tool for providing an exact metric.

When it comes to salespeople, the data they have on the prospect should be more of a priority than their stage in the funnel. The insights they collect will better help you assess their <u>intent to buy</u>—and what stands in their way of completing the purchase.





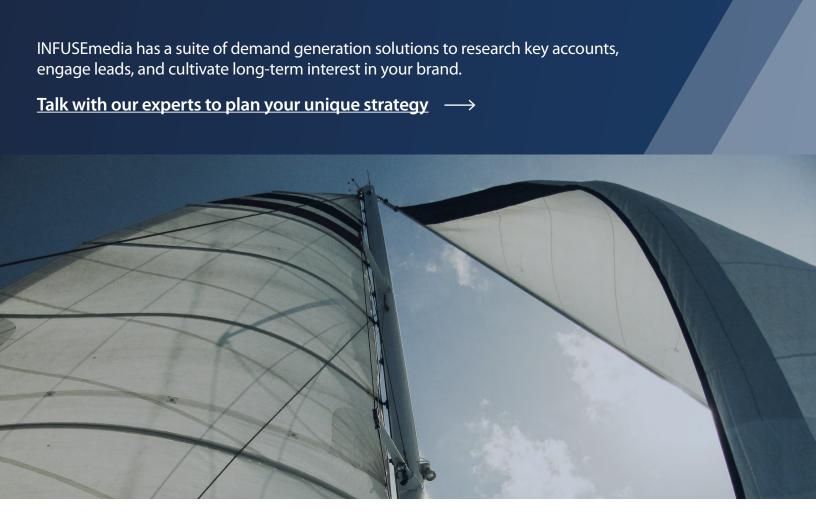
HOW TO PERFECT THE IMPERFECTIONS OF THE SALES FUNNEL

The sales funnel can cause problems, especially when taken at face value. To solve the issues that it causes, you must precisely *not* take it at face value and use other signals to measure sales readiness.

For example, buyer intent data helps you gain an understanding of leads' behaviour that can signify a propensity to buy. Intent data allows you to gauge a lead's sales readiness with more precision than with a sales funnel, since it tracks real-time engagement and actions that signal interest in your brand.



Another option is to interview members of the buying committee at key accounts to gain valuable insights of their needs, as well as feedback on your products. An incentive, such as a gift card, can be enough to book a 15-minute interview with these decision makers.





ALTERNATIVE MODELS TO THE SALES FUNNEL

The sales funnel gets a lot of publicity, but there are other models which are equally (or more) effective in selling. **Here are a few alternatives your business can implement and then measure the results to see if they outperform the funnel on its own:**

Flywheel

<u>This model created by HubSpot</u> envisions the sales process as a flywheel, with the stages of the buyer's journey nested together in a circle (we'll cover the buyer's journey in more detail in the next topic).

As a flywheel, the idea is to apply 'forces' that will keep it spinning, such as content marketing and client support, while removing friction—essentially obstacles that hinder the purchasing process.



HubSpot doesn't follow the sales funnel and adopts the flywheel instead. As one of the biggest CRM platforms worldwide, this is an indication of how this method can be more successful than the sales funnel on its own.

Inbound methodology (the buyer's journey)

<u>Also popularised by HubSpot</u>, the inbound methodology represents the buyer's journey in three stages: Attract, Engage, and Delight (some variations include a 'Close' stage before 'Delight', which refers to the conversion of leads into clients).

Here are the details of each step, inspired by HubSpot:

- Attract: Entice prospects to interact with your brand and start conversations with <u>content marketing</u>, social media, and SEO-optimised content.
- **Engage:** Present insights and solutions to engage prospects with your brand and assure that you can solve their problems.
- **Delight:** Support your clients in the long-term, so they are successful in solving their problems and recommend your brand to others.

The 'Close' stage in the four-step model refers to marketing campaigns that encourage the lead to make a purchase, be it email cadences, outreach on social media with salespeople, discounts/offers, or even an invitation to an exclusive event. **All of this would happen before the 'Delight' stage.**

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SPIN selling

What is SPIN selling all about? This method from the 80s still holds up in the 21st century due to its inquisitive nature and how it helps the lead imagine the results of your solution.

It is a framework that is easy to follow in cold calls, LinkedIn messaging, and emails. **These are the questions to ask according to the acronym:**

- **S for Situation:** Ask the prospect about their current situation, as in the context of their business, the processes in place, and any other notable characteristics.
- **P for Problem:** Ask the prospect what issues they face in their business and how this hinders their success.
- I for Implication: If the problem isn't resolved, what are the implications for the prospect? What are the consequences for the business if the current situation continues?
- N for Need-Payoff: What is the payoff for solving this problem? What are the benefits the prospect expects from your products for improving this situation?

As you can see, SPIN selling asks questions that won't be perceived as sales-focused by your prospect. Instead, they break the ice and get a conversation flowing.





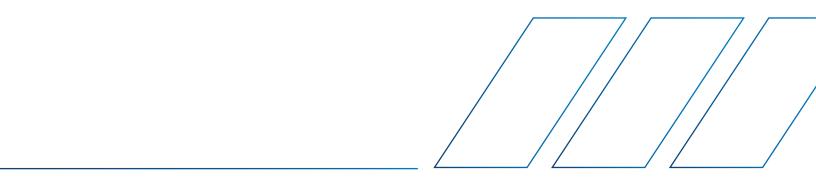
Solution selling

Another 80s method, solution selling (a.k.a. solution based selling) works as the name suggests: you sell a solution, rather than a product.

Chances are your brand is doing this already, so learning the 'official' solution based selling framework can't hurt your pitches.

With the solution selling method, you follow these steps:

- **Prepare:** Research the client's problem and the solution you can provide.
- **Diagnose:** Ask questions that allow you to diagnose the problem and how your company can solve it. The idea is to uncover as many details as possible to understand what is at stake for your prospect.
- **Qualify:** Determine if the prospect is qualified, as in if they are aligned with your Ideal Client Profile (ICP) and willing to make a purchase. Be subtle in your questioning.
- **Educate:** Demonstrate to the prospect how the solution works and why it is beneficial. This means proving it will solve their issue, either with case studies, testimonials, or a product demo. The idea is to convey with tangible data how the problem will be solved, and in the solution selling method this means an approach that isn't focused on the product *per se*, but the benefits.
- **Solve:** Personalise your approach with terms the prospect has used to describe their problem. This is the moment to frame the solution as a customised and well-thought outcome to all the steps before. Showcase the product carefully to avoid making it feel like an afterthought.
- Close: This is when you drive the sale home and adopt an approach that resonates most with the prospect, either a soft-sell or hard-sell. Listen to objections, address them candidly, and then introduce the solution as a unique offer they can't miss.





MEDDIC

The MEDDIC method was born in the 90s during the early tech boom, from salespeople searching for a metrics-backed method to qualify leads.

The idea is to qualify and identify buyers by utilising the following steps:

- M for Metrics: Find out a concrete, quantifiable result the prospect expects, such as to decrease churn by 25% with your product.
- **E for Economic Buyer:** In B2B, this would be the decision maker of the purchase—or the <u>buying committee</u>—which you must identify to strategise and personalise your approach. <u>Psychographics</u> can aid you in this process.
- **D** for Decision Criteria: The factors that determine the decision for the buying committee. This can be budget, compatibility with software, or even the simplicity of use.
- **D** for Decision Process: How the buying committee decides on a purchase. Who has the final say, how many meetings are needed, what is their timeline, and the paperwork.
- I for Identify pain: Discover what is the pain point of the prospect, as in their problem, and how your solution can solve it. Specifics work best to aid your pitch as in 'our profits decreased by 20% in the last quarter' rather than only 'our profits decreased'.
- **C for Champion:** Find a member of the buying committee that can serve as your champion, advocating for your brand and helping solidify the sale. This is usually a person that suffers the most from the pain point mentioned in the previous item, and thus has a vested interest in bringing your product in-house.





The holistic approach

Inspired by the previously mentioned solution selling and by <u>recent changes in the B2B market</u>, the holistic approach blurs the lines between departments at your organisation.

Rather than compartmentalising marketing, sales, and revenue, the holistic approach combines key functions to make campaigns more efficient. For example, in a holistic company, the Chief Marketing Officer (CMO) encompasses duties commonly associated with the Chief Revenue Officer (CRO) and of Corporate Social Responsibility (CSR) officers.

Therefore, the CMO in this model is responsible for not only the brand image on all fronts, but also for managing revenue and promoting future business growth.

In this model, salespeople and marketers blend their duties, working together to create content, lead nurturing cadences, and pitches for the buying committee.

To adopt the holistic approach, follow these steps:

- Plan out transformation for the CMO: the CMO must have time to adapt to new roles and set forth new workflows in the organisation. Companies that already share data will find this transition more seamless, whereas siloed companies will need to first integrate their intelligence before transforming the CMO role. The CMO will need to establish revenue and CSR goals, as well as strategise how the company will reach them through marketing campaigns.
- Combine the sales and marketing departments: Aligning sales and marketing is one thing, but combining them is a whole different story. Your company should ideally have a single team, or assemble pods with a mix of salespeople and marketers for different projects. This healthy mix will help your marketers quickly understand sales bottlenecks, as well as brief salespeople on the fly for their approach and pitches. This environment of transparency will make your sales process more efficient, with fewer hurdles for approvals and back-and-forths.
- Launch campaigns together: Together means the CMO, salespeople, and marketers. For this holistic approach to work, everyone needs to be involved in the creation process, as well as in measuring its performance and adjusting campaigns for better results. In this model everyone is accountable, which also means the success of sales does not depend on salespeople alone.

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CONCLUSION

The sales funnel is a marketing staple for a reason, as it has stood the test of time and become a framework for lead generation in the digital era.

Even so, like any method, becoming too fixated on it and not allowing professionals to rely on experience and intuition to adapt their approach can be counterproductive. Marketing and sales teams should prioritise their audience and their needs, as well as leads' unique data, rather than how they behave in a metaphorical sales funnel.

That being said, ditching the sales funnel isn't necessary and your team should fine-tune it with the other methods mentioned in this article for a better view of lead behaviour.

The key takeaway is that what will work best for your business is almost always a unique perspective to marketing based on the results you collect from data and previous experience.

PLAN OUT YOUR SALES STRATEGY WITH A GLOBAL TEAM OF EXPERTS

Our team of experts in five continents is available on your schedule to discuss the sales funnel and how to grow your revenue in 2022 and beyond.

Contact the team at letstalk@infusemedia.com
so we can build a successful strategy for your business

