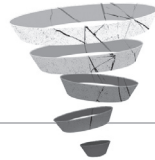


S M A S H
T H E
F U N N E L



THE CYCLONIC BUYER JOURNEY
A New Map for Sustainable, Repeatable,
Predictable Revenue Generation

ERIC KEILES & MIKE LIEBERMAN



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All men can see these tactics whereby I conquer, but what none
can see is the strategy out of which victory is evolved.

—SUN TZU, *THE ART OF WAR*



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SMASH THE FUNNEL

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R.I.P. THE SALES FUNNEL:
1898–1991.
“IT HAD A GOOD RUN.”



People love to buy; they don't like to be sold.

—JIM CATHCART, *RELATIONSHIP SELLING*

Lee Iacocca, the man responsible for bringing Chrysler back from the brink in the 1980s, wrote in his autobiography that when he first assumed the helm,

At regular intervals the Manufacturing Division would tell the Sales Division how many and what types of vehicles they were going to produce. Then it

would be up to the Sales Division to try to sell them.
This was completely ass backwards in my book.¹

We couldn't have said it better ourselves, Lee.

Sitting here in the twenty-first century, such an approach to business seems absurd. You manufacture whatever you want, then expect the sales department to sell it all? No wonder car salesmen always seem so pushy! No wonder dealerships used to have "fire sales" where they practically gave cars away. No wonder Chrysler teetered on the verge of bankruptcy.

In the automotive industry's infancy, mass-produced, commercially available cars were such a revolutionary step forward that the global market had a voracious appetite for the then-disruptive technology. The demand was so vast that it didn't matter what the manufacturer produced: people bought. Factories couldn't churn cars out fast enough. Manufacturers didn't need to be responsive to what customers wanted because demand far outstripped supply. This reality led to Henry Ford's famous quip "A customer can have a car painted any color he wants as long as it is black." Today, we look back at such statements and think, *How shortsighted! How arrogant!* But regardless what color consumers preferred, they still bought as many black Model Ts as Henry Ford could produce.

Operating from that paradigm, no wonder Chrysler

¹ Lee Iacocca, *Iacocca: An Autobiography* (New York: Bantam Books, 1986).

made as many cars as it wanted, however it wanted. The company came from a world where the suppliers held all the power. It had the resources, the capital, and the assets to feed a seemingly endless demand. But when the market began to slow, Chrysler somehow missed the memo. It kept charging forward the way it had for decades. Finally, management realized something was wrong and brought in Iacocca to turn things around.

Chrysler lived in a world of dominance until it faced the reality of desperation.

Information Then and Now: From Oasis to Ocean

What happened to the car industry has happened to every industry’s sales and marketing departments. There was a time when salespeople drove the sales process. The marketing people delivered the message and made prospects aware of what the company sold to get them in the proverbial door. Then the salespeople took over and dragged the prospect over the finish line, whether they wanted to go or not. Faced with few options, the buyer either went along or dropped out altogether . . . only to face the same situation when they took their business next door.

That’s no longer the reality we live in. Thanks to technology and the global economy, buyers have more options than ever. But more importantly, they have access to more information about their options.

They don't need to come to you. They don't need to call your sales department. They don't need to come to your showroom. They don't need to get someone on the phone to explain the pros and cons of on-premises servers versus cloud servers. They don't need to go to the library to figure out if this food is healthy or not. They don't have to call every store in town to see if someone has a certain part available. They don't have to leave their home or office—or even pick up the phone—to find an ultra-specific specialty item and have it delivered straight to their doorstep. The barriers to entry in virtually every industry have fallen. Where before consumers were beholden to companies to produce the goods and services they needed, there's now a surplus of providers. Global shipping, innovations in logistics, and the Internet have worked together so that, in the words of Thomas Friedman, “the world is flat.” Consumers have more choices than ever before. Regardless of what products or services you sell, you face intense competition. Local artisans face direct competition from other artisans on Etsy or eBay half a continent away. Regional manufacturers have to compete on price against low-cost manufacturers half a world away. Global financial institutions now go toe-to-toe with online companies without a brick-and-mortar branch and just a click away.

Obviously, companies no longer hold the power.

No one in business today can imagine trying to run a company like Chrysler or Ford did, much less believe they could succeed. The paradigm has shifted. Our customers

don't need us. Alternatives, expert opinions, third-party validation, transparent user reviews—it's all out there on the Internet for the entire world to see. We are no longer the gatekeepers of vital information for decision-making. Quite the opposite: the floodgates have burst wide open.

Consumers don't need information; they're drowning in it.

The Sales Funnel Belongs in a Museum (with Other Antiques)

From this now-outdated reality sprang the original sales funnel.

In fact, the traditional funnel goes back at least as far 1898 and perhaps even earlier than that. It was created in the context of consumers who had limited options, an abundance of attention, and a dependence on the purveyors of products and services they needed to help them make a decision.

Does that sound like your daily life? Didn't think so.

The old sales funnel worked on the AIDA model: attention, interest, desire, and action. Our attention is at a premium these days. Depending on how you measure it, the average American is exposed to hundreds or even thousands of messages a day. Consumers don't have attention to spare like they did in 1909.

When we have a problem, we don't call a salesperson first to help us figure out what we should do. We just

pull out our phones and do a quick search. Entire services are dedicated to helping you manage all the emails, texts, and other messages you receive on an hourly basis. The idea that attention is an abundant resource that you can fill with ads and see results simply doesn't work in this new world.

Here's another one of the sales funnel's fatal flaws: it's from the company's point of view. That made sense back in the day when consumers were unwary sheep, ripe for the shearing (as many companies saw them—cue a random scene from *Mad Men*). That's no longer reality. When was the last time you tried a new restaurant without checking it out online first? We don't know about you, but we like *not* being a restaurant's guinea pigs, walking in the front door while wondering if it's going to be a hit or a miss. When was the last time someone contacted your company without trying to Google their problem first? When was the last time one of your salespeople spoke to a genuine prospect who knew next to nothing about what you sold? We've gone so far the other way that millions of people now diagnose their medical problems at home and just come to the doctor to get a prescription—by name!

The funnel doesn't work in a world where people don't need to go through you to find the facts they need to make a decision. Despite that fact, most marketing models still begin with "awareness," as in, is the prospect aware of the company? (See how that question doesn't start from the customer's perspective, but from the company's: "Do they

know about us?”) Next usually comes “education.” Not in the sense that the customer wants to learn something, but “what educational material can we push on them?” The sales funnel comes from the mentality of “we, the company, are in control. Now, what are *we* going to do *to* them?”

The sales funnel worked when it was a simpler time. People moved down a linear, gravity-fed process to the bottom of the funnel. Things tended to move in one direction: toward the sale. Reality is a bit more complex than that. How many of your own prospects have you seen take one step forward and two steps back? It happens all the time, yet the sales funnel doesn’t reflect this common occurrence at all.

In *Fire Your Sales Team Today*, we sounded the death knell of sales as we knew it. Your salespeople can’t operate independently of your marketing efforts. Not if you want to be successful in the twenty-first century.

Now, we’re sounding the death knell of the sales funnel.

It’s overdue, in fact. The funnel should have been laid to rest on August 6, 1991. That’s when the first website went up. That marked the end of companies being the gatekeepers to information and therefore the major influencers for buyers’ decision-making. We need something that reflects this new reality—a world where buyers hold the power, where attention is at a premium, and where we’re all faced with more information, misinformation, and disinformation than ever before.

How People Buy—Whether B2B or B2C

How has buying behavior changed?

On the retail front, consumers are shifting from brick-and-mortar to e-commerce. No surprise there; Amazon's Jeff Bezos is now the richest man in the world. Online retail accounted for more than nine percent of all U.S. retail sales in 2017² and was projected to reach almost fourteen percent by 2021³.

What might come as a surprise, though, is that business-to-business sales (B2B) are following suit. At the end of 2017, tech research giant Forrester estimated that B2B e-commerce comprised eleven percent of all B2B sales in the U.S.—note that that's more than business to consumer (B2C)—and forecasted it to reach more than thirteen percent by 2021, exceeding a trillion dollars.

It shouldn't come as a shock that people are doing more buying online, both for themselves and for their companies. The flip side of those numbers is that, despite all the hype about online sales, more than eighty-five percent of all B2C and B2B revenue still happens the good old-fashioned way.

Except it doesn't.

While the point of purchase may look the same (e.g.,

2 U.S. Bureau of the Census, "E-Commerce Retail Sales as a Percent of Total Sales (ECOMPCTSA)," Federal Reserve Economic Data, July 5, 2018, <https://fred.stlouisfed.org/series/ECOMPCTSA>.

3 Statista, "E-commerce share of total retail sales in United States from 2013 to 2021," Statista, November 2017, <https://www.statista.com/statistics/379112/e-commerce-share-of-retail-sales-in-us/>.

a cash register or a purchase order), the *way* the buyer arrived at that point looks vastly different:

- Forty-four percent of people start product searches with Amazon versus thirty-four percent using search engines.⁴
- Seventy-eight percent of local mobile searches result in an offline purchase.⁵
- Seventy-one percent of B2B shopping research starts with a generic search.⁶
- Seventy-two percent of B2B shoppers do twelve searches on average before engaging with a website even once.⁷

This minuscule sample of shopping data offers just a glimpse at how buying behavior has fundamentally changed. Depending on which report you read, your average B2B buyer is anywhere from half to two-thirds of the way through their decision-making process before they ever reach out to the suppliers they’re looking at. How many sales opportunities have you lost without even knowing you were in the race? The path from wanting

4 BloomReach, “State of Amazon 2016,” BloomReach, 2016, <http://go.bloomreach.com/rs/243-XLW-551/images/state-of-amazon-2016-report.pdf>.

5 Neustar Inc., “Trends Shaping Local Search in 2014,” Neustar, May 7, 2014, <https://www.slideshare.net/NeustarInc/trends-shaping-local-search-in-2014>.

6 Kelsey Snyder and Pashmeena Hilal, “The Changing Face of B2B Marketing,” Google, March 2015, <https://www.thinkwithgoogle.com/consumer-insights/the-changing-face-b2b-marketing/>.

7 Ibid.

to buy something to arriving at a purchase has radically changed, thanks in large part to the digital revolution (more information) and globalization (more choices).

Do you remember when you'd go to your local grocery store to buy some butter? A young friend of ours recently went shopping. Faced with nine different options, he froze. That was too much information to sort through. He actually left the grocery store without buying at all because he couldn't figure out what he was supposed to do. And that's just butter!

Even as late as the 1990s, the average grocery store carried less than seven thousand individual products. Today, that number has swollen to more than forty thousand in a single store. (Did you know there are twenty-two different kinds of Cheerios!?) In *The Paradox of Choice*, author Barry Schwartz breaks down the psychology of how consumers make decisions faced with an overwhelming amount of options. Often, they do exactly what our young friend did: they postpone the decision altogether. This holds true for most people, whether they're buying jam or selecting a mutual fund for their employee retirement account.

This isn't just the case for consumers; this is increasingly the reality for B2B decision-makers as well. Not too long ago a fairly clear delineation existed between consumer products and service versus those for business. We remember when Drexel University's engineering department got a desktop computer. It made the headlines in the local papers because it was such a big deal for university

students to have access to a machine previously available only for big businesses and major labs. (We promise that we marketing students sneaking in to have a crack at it did far cooler stuff with it than those engineers did.) Coming at it from the other side, plenty of consumer products are now being used as business tools, like the work we’re doing with Fitbit to sell their devices to healthcare insurance companies as part of employee wellness programs. And remember when “serious” professionals only used BlackBerrys, scoffing at iPhones as “toys” for consumers? The previously clear line between B2C and B2B has blurred almost to the point of obscurity.

Not only do your potential customers face a vast array of options when deciding what to buy, but they also live in a deluge of influences and information surrounding these decisions. There is a staggering amount of content available on every conceivable (and inconceivable) topic, activity, product, service, and idea. How much? To give you a taste, here is how much content is uploaded, created, and distributed online *in a single minute*⁸:

- 500 hours of YouTube videos
- 3.3 million Facebook posts
- 1,440 WordPress posts
- 448,000 Tweets

⁸ Robert Allen, “What happens online in 60 seconds?” Smart Insights, February 6, 2017, <https://www.smartinsights.com/internet-marketing-statistics/happens-online-60-seconds/>.

- 29 million WhatsApp messages
- 149,513 emails

Every . . . sixty . . . seconds.

Think about your own life. How many ads do you hear on your way to work? How many online and offline articles do you see? How many different LinkedIn posts do you scroll through? How many emails do you get a day? How often does your phone ding with a new message or a notification? We all live in this crazy whirlwind of people and companies constantly vying for our attention, our trust, and our dollars.

A Whole New World = A Wholly Different Worldview

The sales funnel can't adequately capture how a buyer goes through their daily life. People get stuck at certain points. They're ready to make a decision, but then they go out to dinner with their brother-in-law who says, "Oh no, don't do that! Let me tell you about a friend of mine—" and then they're back in the land of indecision.

Perhaps they usually buy cage-free eggs, but last night they saw an exposé on cage-free farms and now they're unsure of which brand they can trust. Maybe they're ready to trade in their car for the new model, but now that they have a baby, they're more safety conscious and so they look at crash statistics for the first time ever.

There is no neat, sequential process anymore. Trying to force an old perspective on this new reality doesn't work. A paradigmatic shift in buyer behavior requires a paradigmatic shift in how we look at buyer behavior and—more importantly for companies—a paradigmatic shift in how we align revenue generation with that behavior.

That's why we've smashed the funnel.

We can no longer afford to be company-centric: “How do we generate leads?” That treats buyers as commodities in a process. You might as well be asking “How do we get more cattle into our slaughterhouse?” While we doubt that's how you think of your customers (or, at least, we hope it's not), by its very nature the sales funnel focuses on the company. We don't even like the metaphor of a sales pipeline because, again, it assumes customers are commodities to be pushed and pulled through the company's process. A company should be their customer's trusted personal companion in the buying journey.

We have to change the model and our mindsets to become customer-centric. Our questions have to change. How can we influence each person's decision-making process? How can we help them make the best decision for their unique context? How can we meet them where they are? How can we give them what they want, what they're looking for, and what they need? How can we help them through this whirlwind—this cyclone—of information, influences, and decisions that they face?

For the past twenty years, if not thirty, sales and

marketing professionals have been trying to adapt the funnel to account for this paradigmatic shift. They're trying to project an outdated concept onto a reality that no longer even remotely aligns to it. It's time to lay the funnel aside. It's brought us this far. It's served us far longer than it should have. Continuing to cling to it doesn't just hinder your revenue efforts; it hurts them.

For many businesspeople, and especially marketers schooled in traditional thought and methods, this sounds like blasphemy. The business world has used the sales funnel as the underlying concept for nearly all marketing frameworks for generations now. It's withstood the test of time, with roots stretching back to the 1890s. It's been at the core of every serious sales and marketing plan in every major company of any size and note for over a century . . . which is really our point.

People don't buy like they used to. The world has moved on.

The sales funnel doesn't work in this reality where buyers now have the power. Buyers sit in the driver's seat and unless you seriously stand out, they're going to speed past you like so many billboards on the highway. It doesn't matter how great you think you are because your opinion no longer matters. All that matters is what the buyer thinks of you—if they even think of you at all.

It did its job. It served its purpose. It's outlived its usefulness.

Let the funnel die in peace.

A WHISPER IN A CYCLONE: THE BUYER'S JOURNEY



No one can persuade another to change. Each of us guards a gate of change that can only be opened from the inside. We cannot open the gate of another, either by argument or by emotional appeal.

—MARILYN FERGUSON

“It’s a twister! It’s a twister!”

Who doesn’t remember watching *The Wizard of Oz* for the first time, fearing for Dorothy as she runs home looking for Auntie Em, battling gusting winds and debris all the while?

After she’s knocked out and the tornado lifts the house off the ground, she awakens in the midst of the