
The marketing funnel versus the flywheel: Generating consistent leads through a new model of engagement

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Abstract The marketing funnel is a failing metaphor. A new model, known as the flywheel, offers new ways to re-engage existing leads and customers to grow more effectively. This paper describes where the funnel has failed and offers new tactics for re-engaging leads at every step of the buyer's journey. It explores the stages of inbound marketing — awareness, consideration and decision — and how to enhance results at each stage. Discussion of forces affecting the flywheel's effectiveness will help outline a practical means to generate more leads and sales — reducing friction from the marketing and sales process, increasing lead and referral speed, and building a productive mass of quality content, leads and word-of-mouth referrals. Finally, the article describes a three-step process to engage (and re-engage) leads and prospects that are already familiar with a company: mapping out a company's strategy, identifying the relevant forces to improve marketing results, and reducing points of friction in the conversion process.

KEYWORDS: marketing funnel, marketing flywheel, inbound marketing, growth marketing, lead nurturing

INTRODUCTION

One of the most common metaphors in marketing is the idea of a funnel: marketers constantly try to attract as many leads, clicks or conversions as possible, knowing that some prospects will naturally drop out through the process. In 2018, HubSpot introduced the flywheel, a new framework for re-engaging customers and using momentum to generate more business at each step of the buyer's journey. This article

describes practical uses of the flywheel in business-to-business marketing.

THE MARKETING FUNNEL

For years, digital marketing has viewed the sales process as a funnel. Conventional wisdom encourages marketers to start broad — with advertisements, blogs and e-mails that target a wide array of people — and slowly narrow in on the ideal buyer through

a series of content and in-person follow-ups. The original funnel methodology viewed the buyer's journey as a static process, ending once they became a customer. Marketing was seen as a numbers game, the goal of which was to get brand messaging in front of as many viewers as possible before they either opted out or were culled by internal teams. It began broad, with visits, impressions or leads and narrowed as contacts took action. The problem with the funnel is that it did not account for the more fluid nature of online habits. Funnels are designed to push work quickly through a narrowing path until they land. By nature, it is static. The funnel methodology does not consider the power of existing customers to influence new sales. Once leads complete their journey through the funnel, they are crossed off a list and are forgotten in favour of the next click or conversion. The flywheel approach is more dynamic and generates activity for every buyer at every stage of the buyer's journey.

THE FLYWHEEL

The trouble with the funnel mindset is that it is static. When a liquid is poured through a funnel, it flows into the container below and remains there. So much of digital marketing is focused on attracting *new* leads that no time is spent considering the large pool of already-converted, already-engaged customers. A new, more dynamic approach to sales is needed.

In September 2018, HubSpot debuted a new methodology to replace the funnel: the flywheel (Figure 1).¹ Instead of a static approach to marketing, the flywheel is a dynamic, living methodology.

WHY THE FLYWHEEL IS MORE DYNAMIC THAN THE FUNNEL

A flywheel is always turning, no matter where a prospect enters or views it. The flywheel aims to keep current and past customers constantly engaged, so that businesses can retain some of the momentum

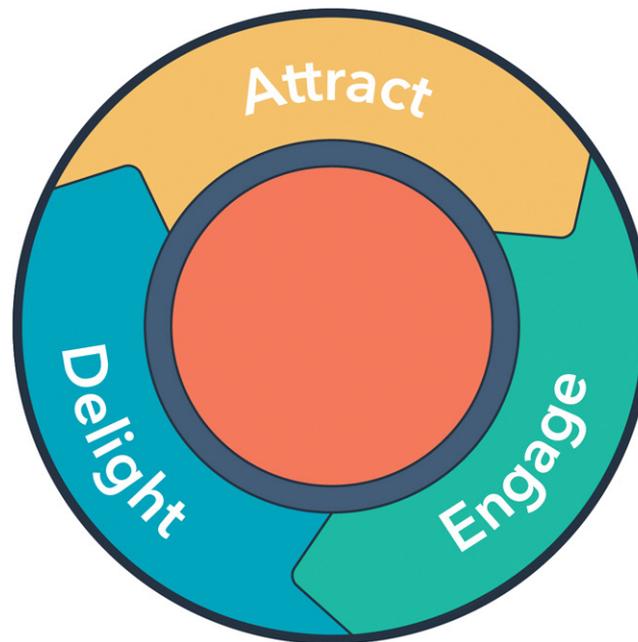


Figure 1: The flywheel

Source: Dick, J. (2018) 'How the flywheel killed HubSpot's funnel', available at: <https://blog.hubspot.com/marketing/our-flywheel>. Reprinted with permission from HubSpot.

their marketing generates. The flywheel is also layered, so that each type of contact is hit with the type of content best suited for it. Eighty per cent of consumers are more likely to do business with a company if it offers personalised experiences.²

Attraction might look very different for a new customer versus a current customer. New customers are attracted via an advertisement on Facebook that links directly to a company's services. By contrast, a current customer already knows who the company is, and what they do. Instead of attracting them with an advertisement (which they likely will not see and are even less likely to click), a flywheel might send a targeted e-mail inviting them to download an e-book advertising a related service to one they already know, use and trust.

Compared with the funnel, the flywheel is by its very nature much more adaptable to inbound marketing.

DEFINING THE STAGES OF INBOUND MARKETING

Before detailing how to use the flywheel, it is important to understand the buyer's journey and the stages of inbound marketing. The buyer's journey is the path taken by buyers when deciding to engage with a company and purchase a product or service. HubSpot defines the buyer's journey as three key stages:³

1. *awareness*: buyers realise they have a problem or need;
2. *consideration*: they research options to solve their problem; and
3. *decision*: the buyers choose a solution.

The buyer's journey is what directly influences the stages of inbound marketing. As defined by HubSpot, 'Inbound is a method of attracting, engaging, and delighting people to grow a business that provides value and builds trust'.⁴ Each stage of inbound marketing sits on the outermost

layer of the flywheel and is spun as marketing is generated. Those stages are:

1. *attract*: getting the right kinds of leads to a website or social media channels through inbound marketing efforts;
2. *engage*: providing valuable content that an audience wants to engage with, in exchange for contact information that marketing and sales can use to convert leads into customers;
3. *delight*: after a lead becomes a customer, 'use e-mail and marketing automation as well as conversations to deliver the right information to the right person at the right time, every time'.⁵

Why tailor content to different customers? Eighty-six per cent of buyers are willing to pay more for a great customer experience and 73 per cent of buyers point to customer experience as an important factor in purchasing decisions.⁶

USING THE FLYWHEEL AS A GROWTH TOOL

Because the flywheel is more dynamic than the funnel, it can grow much more rapidly. Before creating a marketing flywheel, it is important to know what factors will influence the flywheel's growth, specifically:

- how fast it spins;
- how much friction it encounters; and
- how big the flywheel is, or how much mass (or momentum) it has.

How fast the flywheel spins will depend on how much force is applied, and at what stages. In the traditional funnel model, all of the force is applied early. Most growth movement comes from the initial spread of information. To put it into 'buyer's journey' terms, all of the forces are applied during the attract and engage stages. Getting the highest possible number of eyeballs on content is the ultimate goal.

Using the flywheel, effort is spread farther and faster. Reaching the intended audience at the delight stage becomes equally important. Instead of a concentrated effort up front with a massive drop-off, forces are spread equally throughout the buyer's journey.

Once the wheel begins spinning, friction becomes a natural by-product. In order for the wheel to spin, obstacles must be identified and addressed. It sounds simplistic — the less friction there is, the faster the wheel can spin — but sources of friction can often be deeply embedded in an organisation, and harder to address. Where are customers spending their time? Where are they getting hung up? At what point does communication between teams fail? Answering these questions will help identify areas that are stopping the momentum of a company's marketing efforts.

Finally, the size of a flywheel is dictated by the energy put into it. As more happy customers go into the flywheel and keep it spinning, it will grow in size and mass. More mass means more energy is required to keep it moving — more content, more staff, more automation, and so on. It may become necessary to break the flywheel into several smaller flywheels to make management of each process achievable.

HOW TO USE THE FLYWHEEL

Perhaps the biggest advantage of the flywheel over the sales funnel model is that it flows more organically with the buyer's journey. To ensure the flywheel functions properly and is aligned with company goals, three core steps must be taken:

1. map out the company's flywheel strategy;
2. identify what forces will be used to implement the strategy; and
3. root out points of friction and create plans to address them.

The following strategy is adapted from HubSpot's flywheel methodology for use of the funnel.⁷

Step 1: Map out the company's flywheel strategy

As with any marketing strategy, the flywheel begins with a clear set of goals and metrics. Marketers start by mapping out a strategy for each stage of the buyer's journey. This includes all core programmes, activities and content that the company will offer at each stage:

- *Attract*: During the attract phase, provide free, valuable content, such as blogs, webinars, white papers, social media, campaigns and presentations.
- *Engage*: Once the audience is aware of the core problem a company can solve for them, they are ready to self-serve with targeted content, such as a free trial, a virtual tour, or other 'freemium' content.
- *Delight*: Once they have become customers, the audience still craves content — this could include blogs and e-mails, but it could also include continuing education, chatbots or online portals.

Once marketing assets have been identified, the next step is identifying the core metric the company will track. For each of the activities listed, pinpoint the most important metric.

- *Attract*: Core metrics at this stage will likely be high-level, such as website traffic, ad impressions and social shares.
- *Engage*: This is where a company needs to consider specific assets and content offers. The key metric will relate directly to the services the company provides. This could be form-fills, free trial signups or freemium downloads. This is also where lead qualification tactics will come into play. For an example, one of BizzyWeb's core metrics is downloads of an e-book of leads that have identified themselves as decision makers by choosing their job position on the download form. These are marketing qualified leads that are counted in the core metric.

- *Delight*: Core metrics at the delight stage are any direct feedback from customers. This could be as simple as measuring clicks in customer-centric e-mails or as complex as using a tool like Net Promoter Score to measure satisfaction.

Step 2: Identify what forces will be used to implement the strategy

Once goals and metrics have been established, the next step is to identify what forces will add momentum to the flywheel. Laying out the strategy in advance will help identify what to expect in terms of output from the flywheel. As explained previously, the more energy put into a flywheel, the greater the output generated from it.

When planning, first focus on the attract and engage stages — after all, it is not possible to delight customers if their attention has not been captured. However, it is important that the forces in the flywheel remain flexible. Once it starts spinning, new information and learning will require adjustments to each input.

The first step when examining marketing forces is to lay out the various departments and teams available to the organisation. This is also where the size of the flywheel will be dictated — a large organisation with over 30 employees will have significantly more forces to invest in a flywheel than a smaller organisation with only ten employees. Generally, most organisations will find themselves with the following core teams (although in smaller organisations, employees may be on more than one team):

- marketing;
- sales; and
- customer service.

After identifying the teams that will be involved in the flywheel process, list out the tools and resources used in the past and available in the future. This process may take several meetings to determine what assets exist. Table 1 provides an example of what a mid-sized marketing company might list as its forces.

Table 1: Example company forces

Team	In the past	Now
<i>Marketing</i>		
Inbound marketing campaigns	Managed and controlled by marketing team without input from other teams	Led by marketing team, but other teams to have input and be aware of campaigns
Website	Website last redesigned in 2017, content is stale, SEO rankings are sinking	Active strategy to review and update the website as needed to ensure site in line with inbound and flywheel
Marketing software	Using Hootsuite and Mailchimp, Excel for tracking	Transition to consolidated tool like HubSpot to streamline efforts
Warm lead handoffs	Inconsistent, no automation in place	Add sales team to form fill notifications, forwarding as necessary to ensure follow-up
Customer delight	None	Creating materials and content for existing customers to re-engage
<i>Sales</i>		
Online schedules	None	Create online schedule so leads can book appointments online
Organising CRM	No set strategy for adding contacts, tracked in a central shared database	Ensure contacts are added immediately with all relevant information so marketing and customer service teams can engage/ help with follow-up

(continued)

Table 1: Example company forces (continued)

Team	In the past	Now
Qualifying leads	None	Work with marketing team to define sales qualified leads so both teams work together
Automation and bots	Limited e-mail automation	Automate messages when team is not on-line: e-mails, Facebook, website chatbot, etc
<i>Customer service</i>		
Online support	E-mail or form-fill	Add chatbot support to create new support tickets
Follow-up	Only engaging with existing customers when support is required	Engage with customers to continually delight them by sending targeted content such as anniversary e-mails, referral codes, industry news, etc
Education	Blog	Make the blog searchable and create content aimed at customers as well as prospects
Review strategy	None	Send e-mails or reach out in person to invite existing clients to leave reviews on Facebook and Google

The lists a company creates will likely be much longer than these examples. It is important to remember that each stage of the flywheel impacts the next. Each part of the flywheel needs force and activity. Meeting with the appropriate teams will make the next stage of flywheel development easier.

Step 3: Root out points of friction and create plans to address them

Friction is the greatest enemy of the flywheel. Because all parts of a flywheel are interconnected, if any of the forces become stuck, all momentum will come to a screeching halt.

When charting out available forces, take time to record any points of friction noted during the above discussions. Having identified any points of friction, then automate tasks, reset goals, and finally restructure teams as needed.

Identifying friction

Before identifying points of friction, be clear that this exercise is not about assigning blame. Make sure teams know that friction

is a completely natural by-product of any organisation and that the point of rooting out friction is to honestly assess and improve.

When identifying friction, it is easiest to start outward and move inward. Ask each team:

- What questions do prospects/clients ask the most?
- What prospect/client tasks take the most time?
- What complaints are most common?

Next, examine the internal points of friction:

- What tasks/processes take a lot of time to ‘fix?’
- What tasks/processes take longer than they should?
- Where do tasks/processes fall behind timelines?

Both externally and internally, points of friction exist where teams meet. This is a common issue for every business. It is these points of friction that the next two steps in the process aim to resolve. Using HubSpot’s flywheel methodology, chart out each of the problems and next steps. Table 2 provides a pro forma for this exercise.

Automating tasks

Automation is a key tool to smooth points of friction and also ease the burden of teams. There are many repetitive, simple tasks that could be better served by automation instead of taking time away from teams. When examining forces and identifying points of friction, many instances will arise where communication fell short or follow-up was lacking. These are the perfect places to integrate automation (see, for example, Table 3).

Resetting goals

When friction exists where teams meet, it is time to examine goals and set more reasonable expectations (see, for example, Table 4).

Restructuring teams

When there is a point of friction with no easy solution, sometimes the answer is to examine the existing teams. Teams may be too specialised and communication can fall through the gaps (see, for example, Table 5).

Table 2: Sources of friction

Source of friction	Can we fix this with...		
	Automation?	A new goal?	Reorganisation?
Sales and customer service teams do not know what marketing team is doing			
Online leads are not getting to the sales team			
Customers send support questions to marketing and sales team instead of e-mailing or calling customer service			
Existing customers are receiving content aimed at prospects			
Leads are not being qualified			

Table 3: Sources of friction solved by automation

Source of friction	Can we fix this with...		
	Automation?	A new goal?	Reorganisation?
Sales and customer service teams do not know what marketing team is doing	No		
Online leads are not getting to the sales team	Automate notifications so the sales team knows when a lead takes an action and can follow-up		
Customers send support questions to marketing and sales team instead of e-mailing or calling customer service	No		
Existing customers are receiving content aimed at prospects	No		
Leads are not being qualified	No		

Table 4: Example sources of friction solved by a new goal

Source of friction	Can we fix this with...		
	Automation?	A new goal?	Reorganisation?
Sales and customer service teams do not know what marketing team is doing	No	No	
Customers send support questions to marketing and sales team instead of e-mailing or calling customer service	No	No	
Existing customers are receiving content aimed at prospects	No	Creating a new marketing plan for content to ensure content is being created to delight existing customers	
Leads are not being qualified	No	Marketing and sales teams to define and agree on criteria to qualify a lead	

Table 5: Example sources of friction solved by reorganisation

Source of friction	Can we fix this with...		
	Automation?	A new goal?	Reorganisation?
Sales and customer service teams do not know what marketing team is doing	No	No	Add a project manager that serves all teams to ensure each team knows what other teams are doing
Customers send support questions to marketing and sales team instead of e-mailing or calling customer service	No	No	Consolidate teams so that customers can be served by the right person

CONCLUSION

The dynamic, animated nature of the buyer’s journey and online content as a whole demand an equally vigorous methodology. The outdated funnel methodology simply cannot meet the demands that modern consumers expect and deserve. While the flywheel methodology requires more upfront work, once a company’s marketing wheel is spinning it will grow and maintain momentum instead of sitting stagnant and ignoring customers. Following the steps

outlined in this paper will unify teams, define goals, streamline workloads and supercharge any team’s marketing results.

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