

Customers/

Thinking of your Selling Cycle as their Buying Cycle

Converting prospects into customers is not something that's done to them from the outside. It's something that they do of their own free will. Think of how you "convert" from window-shopper to buyer in your own purchases. Now think of the sales cycle from their perspective: it's a process of deciding what to buy.

So why are the marketing and selling efforts of so many companies still blind to the implications of such a self-evident, intuitive truth?

Product choices available to consumers and business customers today are almost overwhelming. And, as they proliferate, it is an ever more meaningful decision for customers to select your product or service.

Problem is, relatively few companies make the purchase decision — the buying cycle — simple and efficient. In effect, they get in the way of the customer's "free will." Those companies who do make it simple to shop and compare, from the buyer's point of view, typically enjoy higher sales and faster growth. They shorten their sales cycles and accelerate arrival of revenue.

Advertising can be an effective tool to create awareness and familiarity with certain brands. But most customers rarely make their buying decisions based solely on the ads they see and hear. This is especially true in the Internet age. Just think of your own experience as a shopper and buyer. More and more, these customers rely on what they learn via the Web. This means that your web site is a central, fundamental element of your business and it's becoming even more important everyday. It's a primary tool shared by your customers, your prospective customers and you.

Typically, a company will create awareness of itself through advertising and promotional outreach, which may drive members of the target audience to its site. But most companies suffer conversion rates (turning prospects into customers) of about two percent — a number that, to us at Turner DeVaughn, seems needlessly and unacceptably low.

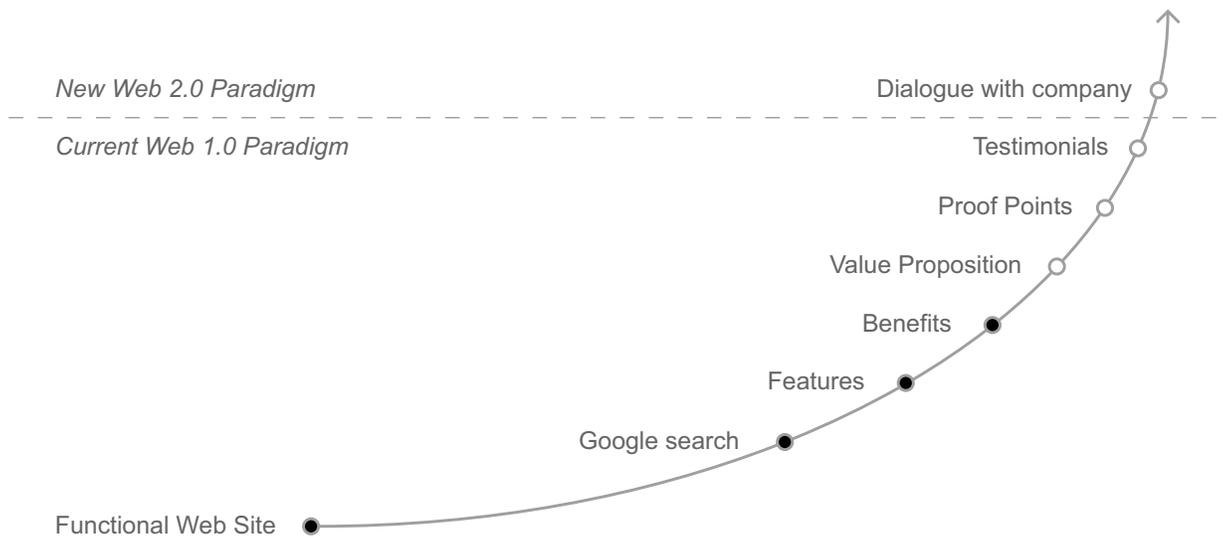
Data gathered by Turner DeVaughn Web Benchmarking¹ reveals that most branded web sites present little more than product features as a way for their visitors to "connect the dots": to figure out how those features would translate into real benefits for them — at which price points — and what, if anything, current users are thinking and saying about the company and its products.

Shoppers frequently start with an interest in comparing one company's product features to those of a competitor's. When other products do not have the combination of features a buyer is looking for, and yours does, your sales cycle is suddenly accelerated. Competitors will often copy each other's features to compete for that one-to-three percent of prospects that convert based on features alone. Conversion takes longer if all prospects have to consider what amount to look-alike features.

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Here's an illustration of what we're describing:



Each of the points along the **Conversion Curve**[®] allow prospects to build upon their knowledge of a product, coming closer to a decision to buy (convert). At a basic level, a web site is a user experience where content is easy to find and transactions are simple. We call this the functionality of the site, but it's just the beginning.

Shoppers who look beyond features may return to your site to find out which benefits result from the combination of your features. Almost half of companies surveyed in the Turner DeVaughn Web Benchmarking did not go beyond the "feature sell." They appear to be blind to customer desire for more. In some form, people want an articulation of the value proposition with proof points. In the absence of such information, they will look to one another as sources of credible reference. It is rare to have access to unvarnished

testimonials from customers on corporate web sites, let alone an opportunity to engage in a conversation on the brand's web site.

Failing to connect these dots for prospective customers not only slows down the buying cycle, but it discourages the 97 to 99 percent of valuable prospects who need more assurance that your product offers real and relevant value. It amounts to underutilization of an important corporate resource — your web site — and a less-than-optimum return-on-assets.

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Benchmarking B2B and B2C businesses provides insights about customers' buying cycle.

Turner DeVaughn measures web sites on a 100 point scale. 100 reflects a brand "connecting all the dots" for visitors. In Benchmarking over 150 product sites, to date, not a single one has scored 100, and only 9.8 percent came close with 90 points. 58.8 percent failed with a grade below 70 points. Those organizations have made it needlessly difficult for prospective customers to make the best informed decisions. Knowing that prospects cost a great deal to attract, it seems like a waste of money to advertise to them without legitimate reasons to buy.

Average score for companies in this Benchmark sampling is 63 out of 100. Average companies have a functioning web site that can be found on Google among peers, and that they present their product's features and benefits, but little more. Search engine optimization (SEO) specialists often make incremental improvements to a feature-driven site by figuring out how to drive higher quality leads to it and present the most salient product features and calls-to-action (CTA) in more prominent places. This is a Band-Aid. It merely "optimizes" a weak web site that may also be selling a product that could be substantially improved.

We find that a web site is often an expression of the company's understanding of how its product offers value to customers. This basic marketing concept is not expressed in 90.2 percent of the web sites we have analyzed. Many web designers (and the businesses they serve) don't focus on this core issue — nor do most even understand it: you must market a product people want. People want products that improve their lives. This is the source of differentiated value — your profits.

WD-40 Company presented a clear connection between product improvements and what the company is able to charge for their new WD-40™ SmartStraw® product at the recent Top Line Conference.² Stephanie Barry, Director of Global Innovation, explained that their value proposition only became clear in context of their market and what matter to customers. They learned that customers were frustrated by lost straws. By engineering a solution to the problem they were able to mark-up the retail price by \$1 more per can. This has driven a significant amount of revenue into their business.

One of the keys to success in the marketplace has to do with the concept of *whole products*. If a customer makes a purchasing decision and then realizes that they need more parts, more software or more help, frustration and dissatisfaction will ensue. The product may have more features than customers want or need, or a shortage of the ones they were looking for. Either way, the frustration and dissatisfaction will be the same.

Feature-rich products with steep learning curves are more expensive than they appear at first glance (reducing value). The actual cost is not limited to the price tag. The time customers invest to start using it proficiently — so that they can experience the benefits they were expecting — are major elements of the real price, especially if they have to hire people to help them figure it out.

Feature-driven companies sometimes struggle to understand that customers buy benefits. Users want a product that they can get to start working quickly and easily, and a product whose functions are clearly and simply described. 42.4 percent of web sites in our

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42.4% of the companies did not even present product benefits.

Fewer than 10% of product sites articulate their value proposition.

The best include EMC, Zappos, Sun, ProSeries, Google, Curves & NetApp.

benchmarking do not even describe their products' benefits! Do they assume or expect that customers will make accurate assumptions?

Positive word-of-mouth spreads much faster in support of a product with features that complete its functionality – making it “whole.” In the absence of relevant information, the kind that should be easily accessed on the Web sites they visit, people connect the dots for each other with informal, social networks of gossip and buzz forming around certain products. They share their own experiences among one another and help each other articulate the product's benefits, value proposition and proof of how it offered value or benefit to them. They also share their negative experiences.

If a company has a whole product that offers value, it clearly has an advantage in context of these customer networks. Successful and potentially successful products have, to some degree, a “customer network”: people who talk about their experiences with the product, for better or worse.

For those companies that do not have whole products, there is an opportunity:

1. They can build a customer network of their own and utilize it to better understand how to make product improvements.

2. Once the network notices the improvements, it can help the company accelerate the user adoption lifecycle through referrals and a further articulate the benefits, value proposition and proof points.

Market research and outreach to innovators and early adopters are the most common techniques used by companies who understand the potential of whole products, customer networks and referral. User conferences are powerful experiences for prospects to encounter customers and all of the suppliers and related service providers associated with a product or suite of products — typically in a vertical market. Category conferences and tradeshow serve the same purpose, with competitors vying for customer attention.

Companies who already enjoy an established presence in the marketplace or who are financially supported by a parent company will sponsor market research, outreach and product conferences as major industry events. This technique has worked for decades, but has been enhanced or even supplanted by the power of networks. User conferences are larger than ever now, but they are becoming secondary to what people learn on the Internet. And what prospective customers can do with web sites is only a fraction of what is possible.

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The result of technological disruption is the “networking” of people who never had access to one another before.

The influence and pervasiveness of information technology (IT) in the last 25 years have created an environment conducive to the adoption of the Internet. Businesses and innovative consumers started using computers and local servers to connect to one another to share information over networks. The web simplified the process. Browsers made it easy to find other servers, which began hosting web sites. As web sites proliferated, aggregators and search engines made the process of finding content faster and more intuitive.

Today as never before, business is powered by technology. This means more efficient operations, supply chain management and resource planning. Software and networks have allowed new businesses to form more easily with less staff, and existing businesses can outsource and monitor functions that are not core to their central business. As technologically driven business becomes more global in scope, new markets open.

Companies realized that they could tap into networks and create a new market categories and new revenue streams. For example, Ariba built a new model around efficient procurement over the web. Web-based customer relationship management (CRM) software came into existence with call centers around the world. And companies such as GE Transportation have been able to use web interfaces to facilitate traffic control and dispatch systems for freight systems on every continent. The same technologies that run the web also run the new global economy.

For all the transformational impact of IT, relatively few companies have made best use of the tools available through the web to encourage prospective customers in the buying process. They continue to engage in one-way “monologues.” They treat their web sites as digital brochures that typically stop at the point where features are discussed. Many companies suffer from “inside-out” thinking — organizing everything from product development and engineering to marketing and sales — almost exclusively around internal operations. External input is often filtered back to the company through sales people who are not always inclined to see connections between this input and the nascent, robust opportunities for product and market development.

Many companies and industries have endured upheaval as a result of the “flattened” world in the wake of advancing technologies. They can create greater efficiencies through IT, but still lose market share and sales — and disappoint shareholders. In brief, technology has not been applied to accelerate conversion of prospects to customers.

In part, this is because organizations receive advice about their internal IT infrastructure from business service practices and consultancies such as IBM and Accenture, who may not think primarily about developing their clients' markets. Many businesses also rely on web agencies to advise them on their marketing strategies and initiatives. They typically view the web only as a promotional medium to augment print or broadcast.

Many companies are baffled as to how they can get ahead, or even keep pace. Many have yet to fully embrace Web 1.0 as market development vehicle, only to find that Web 2.0 is already shaking things up again.

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Cultural disruption has occurred as “networked” people demand information or create content.

A significant shift in recent years is not so much about technology as transparency. For example, Sarbanes-Oxley ushered in an era in which accounting transparency among publicly held companies is legally mandated — and enforced. Transparency has also found its way into the news media as they evolve into a model that aggressively encourages reader/viewer-generated content.

Web 2.0 is expressed through sites where anyone can generate content, share their opinions, connect with others of like-mind and impact the thinking (and behavior) of vast networks of people they could never reach before. Blogs have enabled a number of new voices to emerge in many nichés. Even new nichés have emerged. Moreover, the advent of MySpace, YouTube, Facebook, et al, brings still more transparency and interconnectedness to a “flat” globe.

The video content of YouTube seems trivial to a mass audience. But this is just the point. The “mass” dimension of audiences — and markets — is a relic of the

recent past, never to return. In its place: communities of *opinionistas*, users and customers with specific interests. “Communities” in the true sense. Those communities thrive on dialogue and voting with a single click. Decisions are made with lightning speed within these communities around content that is valuable to them. They resist, and turn away from, monologues.

Acting upon these insights accelerates revenue.

We believe that it is essential to take advantage of the web to enable customers to articulate your value proposition and proof points — from their perspective. Transparent conversations stimulate customer referrals and generate new business. We can put these ideas into action with our advisory practice, network products³ and interactive services — what we call *revenue-minded marketing*. This is an organizing principle that enables companies to make breakthroughs in the way they design, market and sell their products: breakthroughs that accelerate revenue to the top line and streamline product improvement processes.

It all starts by thinking of your Selling Cycle as your customers’ Buying Cycle. □

Web sites referenced in this article:

1. Statistics cited are current as of 9/1/07:
<http://www.turnerdevaughn.com/benchmark/>
2. Video of WD-40 presentation is available at:
<http://www.toplineconference.com/webcast/>
3. DialogueTDN is a network product:
<http://www.dialogue-tdn.com/>

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