

# The Flywheel: A New Digital Marketing Model

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## Abstract

The flywheel model has gained popularity in marketing as an alternative to the conventional sales funnel paradigm. The flywheel model emphasises the value of client happiness, engagement, and loyalty through a customer-centric strategy to marketing, sales, and customer support. Customers are seen as the primary driver of growth, and marketing, sales, and support teams collaborate to keep the flywheel turning. Flywheel, offers new ways to engage and re-engage existing leads and customers to enhance the brand value of any product. The flywheel marketing approach emphasises the notion that client connections are ongoing and that a happy client may be a strong driver of company expansion. It nudges companies to prioritise long-term success over only short-term revenue. Organisations may establish a self-sustaining cycle of growth by offering excellent experiences at every level of the customer journey. The paper also includes the inter-connection of Digital marketing strategies with the new model which offers the new tactics for engaging the existing and new customers at every step of their journey with the brand or the firm. With the empirical understanding of the previous researches, the paper will conclude with how digital marketing strategies can be

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aligned with a firm's marketing plan, which will act as a momentum for marketer's efforts.

**Keywords:** Digital marketing, Flywheel, Marketing Funnel, Marketing Strategies, Customer engagement, Customer experience, Delight, Attract, Engage.

## **Introduction**

Business world has gone into many transformations and the biggest ever transformation that has ever taken place, if asked any marketer is the customer. The customer of most of the business has gone into number of evolutions. Today's customer is informative knowledgeable and exposed to global standards customers. He is more educated and digitally oriented. All these have made him more demanding and expecting more from every purchase. Business should be cognizant and take care of these demands and expectations above other business activities. Companies make long-term decisions and work upon long-term relationships without compromising upon their values and principles. In short, Organizations need to be more customer-centric.

Organizations need to lineup their success story with their customers. They can scale up and be more sustainable by creating a delightful experience for their customers and thus maintain a steady record of loyal customers. To be more sustainable and to retain their loyal customers, organizations need to deliver outstanding and exceptional customer experience.

## **The Concept of Flywheel in Marketing**

Flywheel can be defined as "a model for business growth that focuses on using the momentum of happy customers to drive referrals and repeat sales."

CEO Brian Halligan of HubSpot had first coined this term for marketing and customer relationships and it makes a strategic approach to inbound marketing's strategies.

Flywheel is an improvement and improvisation over the older concept of Purchase funnel. The older Purchase funnel demonstrates the buyer's purchase journey from the point of awareness to final

purchase and it is used by the marketers as unbeaten method for lead generation. The funnel focuses mostly on making the final sale and closing the deal.

The flywheel focuses on the association between the organization and the customer. It forms a cycle and cyclical motion where in an incessant ring is created with the users connecting and communicating with the organization. The relationship between the brand and the customers does not end with the final purchase but the interaction between the organization and the customer goes on like in a loop.

Flywheel focuses on bringing a synchronous between the sales and the marketing function keeping the customer as a focal point. Flywheel keeps the customer as the centre and the goal and not the final sale. Flywheel encourages a lasting and more sustainable relationship between the company and the users leading to more sales and increased brand loyalty.

The marketing flywheel is an improvement over the traditional funnel. The conventional marketing funnel works from creating awareness among the customer and ending in final sale and creating loyalty towards the brand. However, Flywheel works in a circular motion where customers lead to more sales and growth of the organization.

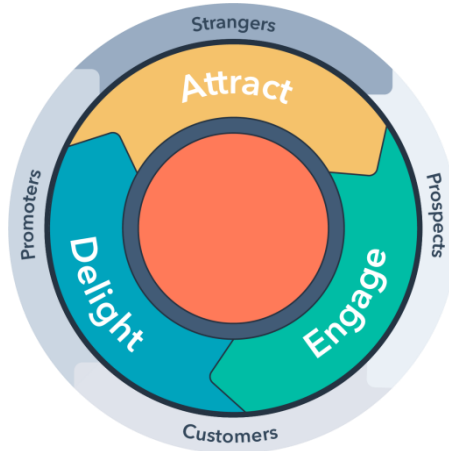
The Flywheel model promotes an enhanced customer experience. Marketers using Flywheel model can go beyond the level of satisfying the customers to delighting them. The model thus increases the momentum of gaining delighted customers who go in for repeat sales and also become instrumental in bringing in new customers through referrals and generate new sales.

### **Phases in the Marketing Flywheel**

There are three phases in the Flywheel – Attract, Engage and Delight.

In the Attract phase, the focus is on generating lead by giving real and true value to the customers. The Engage phase deals with creating a strong association with the customers who have purchased the company's offerings. The Engage phase proliferates during the customer buying process by educating the customers, offering need satisfaction and providing personalized customer

service. The Delight phase focuses on delighting the customers by going beyond making the final sale and giving them an enhanced experience. This phase aims to build a strong relationship with the customer in order to convert them into brand promoters who will bring in new customers. Thus, flywheel is meant and designed to keep spinning on its own, getting more force and power.



**Source:** <https://www.hubspot.com/flywheel>

Attract phase: In this stage the company endeavours to attract audience or visitors to the company's product or service and even to the company's website. This is achieved with the help of creative content in its marketing communications. The main aim at this level is to garner more attentions and awareness of the customers the company. Organizations employ different strategies and tools like content marketing, email marketing, search engine optimization, referral marketing, social media marketing, targeted paid advertising, and conversion rate optimization.

Engage phase: This phase aims to get the customers more engaged with the company. The company selects and use the preferred tie and platforms where the customer is more comfortable to get engaged to the communications and activities of the company.

This stage aims at building a stronger relationship with the customers. The company goes in for database mining and database segmentation and then reach out to the target customers with

personalized content. This phase focuses on higher customer engagement than on final sale.

Delight phase: Flywheel focuses on delighting the customers through increasing better customer experiences. At this stage, the company support and enable their customers to have an enhanced customer experience beyond the satisfaction of their needs through the company's offerings. The delighted customers become the brand ambassadors and they promote the company's products and services. Customer loyalty is the main focus in this stage and it is created using tools like customer feedback, reviews and loyalty programs.

The Flywheel Model basically improves the customer's journey with the company. The Flywheel sets itself right from the beginning when the customer as its first encounter with the company and enhances each interaction and experience of the customer through innovative engagements. The wheel doesn't stop function at the sale of the product or service. But flywheel keeps the experience rich and delightful for the customer thus creating an enduring relationship between the customer and the company. Flywheel Model places the customer at the core of the wheel. All the stages revolve round the axis that is the customer trying to drive the customer to develop into supporter and guarantor for the company.

## **Review of Literature**

(Meyer, Autumn/Fall 2019) has clearly defined how the marketing funnel is a failed approach to be followed by marketer during this technically oriented time and how Funnel can take up the new leading place, helping and guiding the marketers. Author has also explored the concept and application of inbound marketing. Research paper had a discussion about the improvising the process of generating leads and higher sales, with the reduction in different types of friction and identifying the current marketing strategies and suggesting a few new ones to increase the momentum of the wheel.

(Even, SPRING 2014-15) in the research titled "Where mobile fits in the marketing funnel sandwich" explained about the focus of marketers on the mobiles as a choice for connecting with customers. Paper had also explained about how role of mobiles is being monitored by the marketers with a focus on engaging and re-

engaging the customers to speed up the rotation of flywheel. The paper had suggested that how the marketers can plan for increasing the touch points with the help of mobile apps and optimise the marketing efforts.

(Pavan, Volume 1 / Number 2 / SPRING 2014-15) in the present case study discussed about how the strategies have been framed by different organizations to improvise percentage of purchasers who are using browsers for their purchase activity. This paper also disclosed the multiple customer journey model and varies strategies to optimise the repeat buyers and to retain them for future sales.

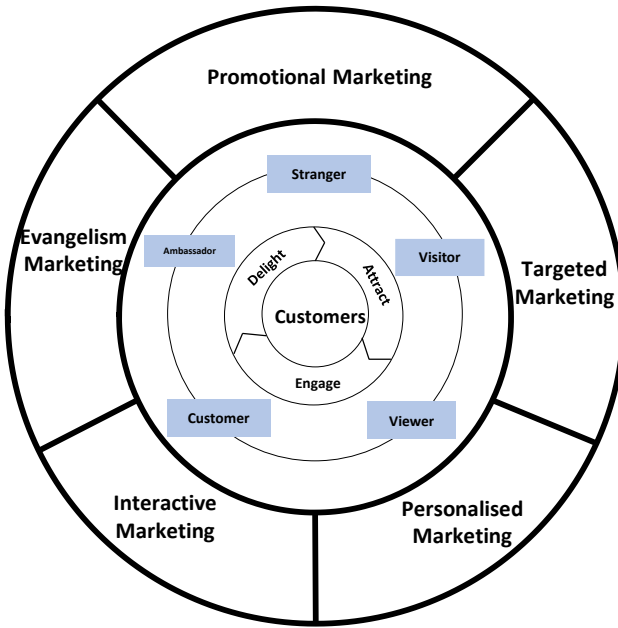
(Farsaii, Volume 3 / Number 4 / Spring 2016) has brief about the strategies and methods which can help marketers to convert more of the on-site customers as the product consumers. The articles proved that the plethora of efforts and amount to be spent on target segments is always more beneficial for an organisation than spending or monitoring each step of the funnel.

**(Sushil, 2012)** also discussed in the research paper about the continuity of strategies to be followed by the organization. This helps the marketers to keep the flywheel rotating, which in turn helps to have a continued momentum of the rotating wheel to act as a source to minimize or solve the current obstacles. Author has briefly mentioned about the multiple forces which can act as a catalyst for keeping the continuity of strategies by the firm such as large customer base, well-established culture, core competence, etc.

**(Halligan, Replacing the Sales Funnel with the Sales Flywheel, 2018)**The article has covered two major aspects that can work well while following the path of flywheel. The first most being discussed was the “Force”, which acts as a way to increase the spinning speed of the wheel. And the major focus of the force was not to have a happy customer, but to have delighted customers, associated for a longer time with the organization. And that can only be possible if the effort or force is being applied by each individual of the organisation. The second thing which the author recommended is to reduce the “Friction”. He quoted, earlier it matters what you sell in the market (The product or service) but now the only thing matters is how you sell it. Customer experience while purchasing the product matters. Author has suggested a few

methods like better customer interaction, skilled employees and investment in IT could be a few ways to reduce the friction.

### Flywheel in Digital Marketing



Source: By the Authors

#### Attract

Attract phase is a very crucial stage. The success of the entire flywheel begins at this stage. The brand usually shelves out some attractive promotion content to catch the attention of perfect strangers to the brand. People unknown about the brand and its offerings or people with very less information are drawn to the brand, its website though some useful content which catchy and attention drawing. Companies deploy many digital marketing tools like content marketing, search engine optimization, social media marketing, social selling, targeted paid advertising, and conversion rate optimization.

Promotional marketing attracts the strangers to visit the websites, blogs or any other social media pages or platforms. These visitors are inquisitive about the brand or the company and its offerings and

operations. Marketers' job is now to remove any kind of hurdle for a smooth journey of the visitor to sail through for more information.

Digital or online business depends largely on identifying and connecting with prospective customers; hence traffic needs to be built by the marketer to draw the people to whom the brand is not known by various brand awareness strategies. Strangers need to be drawn to the company website focussing more on broadcasting relevant and useful information to the strangers to arouse their inquisitiveness to dig more for information about the brand. Digital marketing strategy consequently should guarantee a smooth and effortless connecting with the brand. Brand ought to do away with the unnecessary and excessive activities by the prospective customers by keeping the landing pages simple yet attractive and devoid of irrelevant data. The call-to-actions should be conspicuously noticeable on the landing page and other pages on the website.

This phase characterised by the following features:

- Use of simple, uncomplicated and highly consumable content (blog posts, emails, social media) to solve the strangers' and visitors' initial queries.
- Using paid sensible advertising to encourage brand awareness
- Increase brand visibility through optimizing on-page and off-page SEO practices and search engine rankings
- Simple and attractive landing page and prominent call-to actions.

### **Engage**

The second phase is Engage phase where the company endeavours to engage the casual visitor having limited knowledge about the company and its product and convert him into a more dedicated viewer. Marketer connects with the visitor with some targeted content and urges him to view more brand information and learn about more brand offerings. The digital marketing uses desired timeline and platforms according to the viewers. The main focus during this stage is to begin a relationship with the viewer through digital marketing tools and content. Marketers use tools like corporate website content and personalized emails, database



segmentation, marketing automation, lead nurturing, multichannel communication (chat, phone, messaging, email), sales automation, lead scoring.

Customer engagement is the epicentre of digital marketing techniques. Customer engagement fuels personalization and real-time interaction on digital platforms. Visitor after turning into the role of viewer will look for a more engaging relationship with the brand. The viewer now will get involved in the various call-to-actions (CTAs). The brand at this stage should offer to its viewers useful information in the emails or company website.

Various digital marketing tools like welcome emails can be used to begin a fruitful and lasting customer relationship. By being a good host, you're establishing the foundation for a lasting relationship. Customers at this stage should be aware that the company is interested and looking forward to hear from them (customers). Personalized email account in the sender field instead of "do not reply" address should be used by the companies to fulfil this objective. This goes a long way in humanizing the brand to the customer and increases engagement.

Posting on time is very crucial in social media marketing. Companies can utilize the platform-specific analytics and insight tools to observe active on the social media platforms and accordingly schedule their postings. This will ensure more viewership and more engagement in the form of views, likes, shares and comments. Real-time updates are also more exciting for followers, as they want to be the first 'like' or comment or be the first to share an update within their network. Timing is of utmost importance in social media marketing.

Likewise, there are numerous other ways in of leveraging email and social media activities to boost engagement and augment brand loyalty.

This phase is characterised by the following features:

- Convert leads with gated advanced content offers (eBooks, tip sheets, infographics, case studies) and subscription offerings
- Nurture leads based on where they are in their buyer journey

- Configure messaging tools (live chat and chatbots) to deliver exceptional customer service and strengthen relationships
- Optimizing for mobile for an understanding of customers' their email habits and making communications as user-friendly as possible
- Use of platform-specific analytics and insight tools to study and analyse when viewer is most active and accordingly tailor the posting schedule to those times.

## **Delight**

The delight is the final phase of the Flywheel. In this phase the company focuses on supporting and empowering the customers to become brand ambassadors. The company gets involved in making the customers successful through the use of its products and services. Company's success is in the success of the customer. A successful customer is happy and satisfied and becomes a loyal customer and a big asset for the company. Some of the tools used by the company during this stage are forces you are self-service (Knowledge base, chatbot), proactive customer service, multichannel availability (chat, messaging, phone, email), ticketing systems, automated onboarding, customer feedback surveys, and loyalty programs.

A loyal customer is driven to the point of delight through better and enhanced customer service and satisfaction. A delighted customer is the biggest asset to the brand because he further drives and rolls the wheel by bringing new customers to the brand and the phase of the Flywheel starts all over again.

The delight stage aims at offering an extraordinary customer experience that eventually leads to customer delight. Brand must focus on the users' needs, motivation, desires and aspirations to arrive at an apt combination of customer experience. Brands must ensure that the customers are happy and satisfied with the brand and remain so for long. The basic aim of customer delight is to drive the customers to share their experience with the world and generate new customers for the brand. The customers now must become uncommissioned and unofficial brand ambassadors.

- Provide content that aligns with what leads have shown interest in and how they've already interacted with your content
- Case studies, reviews, and testimonials are valuable and provide opportunities for you to connect with happy customers and reinforce your value to them
- Develop a voice of the customer program to gather feedback and turn happy customers into flywheel force
- Use marketing automation software to help customers self-serve 24/7 when and where they need it.

### **Case Study of Amazon Flywheel**

Flywheel as the name suggest, is a structure looking like a wheel, which make us think about few stages – first being a force (internal or external) to start spinning of the wheel. Second, being the reducing any sort of friction which can result in speed reduction or stoppage of the spinning wheel. Third being the making constant effort to increase the spinning speed of the wheel. This is the mechanics behind the working of a wheel. The same concept is being applied in the case of a business organization. Conceptually if we look into the business organization, firms should plan strategies, ways or methods to have a kick start of wheel's rotation. It can be successfully implemented with the help of loyalty programs, better CRM techniques, trained and skilled sales reps, etc. Reducing the friction is possible with strategies like smooth operational functioning, better after sale services, effective customer grievance handling, Responsive CRM, etc. The whole organization including production of better or zero-defect products, skilled human resources, responsive marketing executives, critical research analyst, loyalty programs, updating blogs, mobile marketing, etc, will help to continued wheel rotation.

Started in the year 1994, Amazon started with a bookstore to an Everything Store. This success journey was the result of many critical strategies and decisions. One of them in this digital era is collaborative involvement of the customers and the inbound marketing strategies adopted by Amazon. From the perspective of

its founder, Jim Collins in his book *Good to Great*, which named it as “The Flywheel Effect”.

The Amazon’s flywheel focused on three major areas – Low cost, a big selection catalogue and a great customer experience. These three strategies acted as a force to start the wheel’s rotation and keep the flywheel rotating. To avoid the friction, one of the major strategies adopted by Amazon was the Cash Machine Strategy, which helped to enlarge the business of Amazon by incorporating other products and influencers to keep the smooth momentum of the wheel. Instead of distributing the profits to the shareholders, Amazon had tried to improvise the customer service and also efforts to keep the pricing lowest. The strong and efficient distribution network of Amazon has made the hassle-free shopping experience across the world by Amazon customers.

### **In Case of Pepperfry.com –**

In 2012, the firm has launched their digital presence as a website named as pepperfry.com. the vision behind the firm was “To be the place where the modern Indians shop for their homes”. The firm has constantly shown in the growth of revenue for every financial year specially in last five years. The core values of the firm include – Doing more with less, Pioneering and Juggad. The latest records say, the firm has more than 60 lacs registered users, more than 40 Pepperfry Studios. Monthly there are more than 120 lacs of customer visits. The product list has approximately 1.2 lacs of products to choose from. The company claims that in every 15 seconds they sell an item. The most commonly sold item is the Coffee Table. The firm has a high-tech mobile app enhanced with superior augmented reality features, which ensure customer engagement. By end of 2019, the firm has served 6 million customer’s orders. The market presence of the firm is seen in three different ways – As Studios, As Offices and the Warehouses.

Pepperfry follows a “Managed Marketplace Model”. In this model, the orders are dispatched directly from the vendor to the different customers across the country. To application of the Flywheel model can be understood as follows:

### **The Inner Circle of Flywheel – Attract, Engage and Delight**

To Attract – Pepperfry has been a revolution in the organised furniture industry in India, as before the inception of the firm, this industry is majorly dominated by local and nearby vendors. The reason behind that would be trust, after sale services, long associations, cost effective, easy to transport, less or zero damages during transport, etc. Pepperfry initially launched the e-store targeting the urban populace of the country. But still furniture being an item related with the concept of ‘Touch and Trust’, firm decided to open up the Studios at different locations of the country. Major objective of the stores was to let the educated, affordable, urban populace to Touch and Trust the product offered by Pepperfry which acted as a major point of attraction for the target audience. Followed up with advertisement on each media, showing the clean and structured house, sophisticated families, after sale services with skilled and professional workmen, Jingle – “Stop suffering and leave the hard work to us” targeting to give the solution for the frustration of customers has attracted e-visitors and increased walk-ins in the studios. To look into the monetary motivation for the products, Pepperfry offers a competitive price to the customers with hassle free delivery, association with major banks for affordable EMI option for the upper middle-class populace also acts as an attractiveness towards the brand. Not the least, the products are designed in such a way that it attracts the target audience to visit the nearby Studio.

To Engage – The major objective of the firm to have Studios was not to have a selling store house, instead they tried to have very professional, skilled, qualified with interior designing courses sales reps to attend the customers visiting the Studio. The more time a customer spends at Studio, the more engage customer will be. With the same objective, firm has maintained an active and interactive corporate blog and a separate webspace to provide a complete freedom to the customers about the product’s feedback, which every customer can read and write. The corporate blog has the suggestions for decorating a dream home by different influencers, which provide their opinion with attractive pictures and ideas to build a dream home. In addition to that, to enhance customer experience and engagement, a user-friendly app is being launched. The social media page of Pepperfry also gives an opportunity to prospective

customers to contact with the current buyers and the recent buyers will get a space to share their experience with brand association.

To Delight – The target audience of Pepperfry is the Urban, educated and sophisticated populace. Keeping in mind the expectations of the target population, Pepperfry has made sure the customer experience should be taken care as prime objective of every employee and supplier of the firm. The assured timely delivery, a strong product portfolio, a great delivery experience with multiple loyalty programs, helps the customer to be associated and advocate the brand in the market.

## Conclusion

The presence of the e-market space has given a tremendous opportunity to marketers to reach out the target audience. But on the same time, this made organizations to work so firmly, accurately, efficiently, because as customers are easy to be reached out by marketers, same way they are easily approachable by other customers too. Firms have to grasp this opportunity and aligned each department to work with customer centric approach, making sure a higher level of customer experience during the pre, during and post purchase. And the same satisfied customers can help the brand to leverage the momentum of successful strategies adopted by the firm. The same has been adapted by Amazon and Pepperfry and many other firms. Both the firms have tried to enhance their business for higher customer experiences as well as working backward, to have a smooth running of business like partnering with third party, associating third party products as per their own standards, having their own delivery system to ensure flawless and timely delivery. The digital marketing gives a way for the firm to attach with their suppliers and the customers at the same time. The concept of Flywheel will add on to look forward the digital marketing strategies in a different and collaborative way to have a better and enlarging centre with higher profits for the firms.

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