

Directive,

5 Stages of the Consumer Decision Making Process and How it's Changed

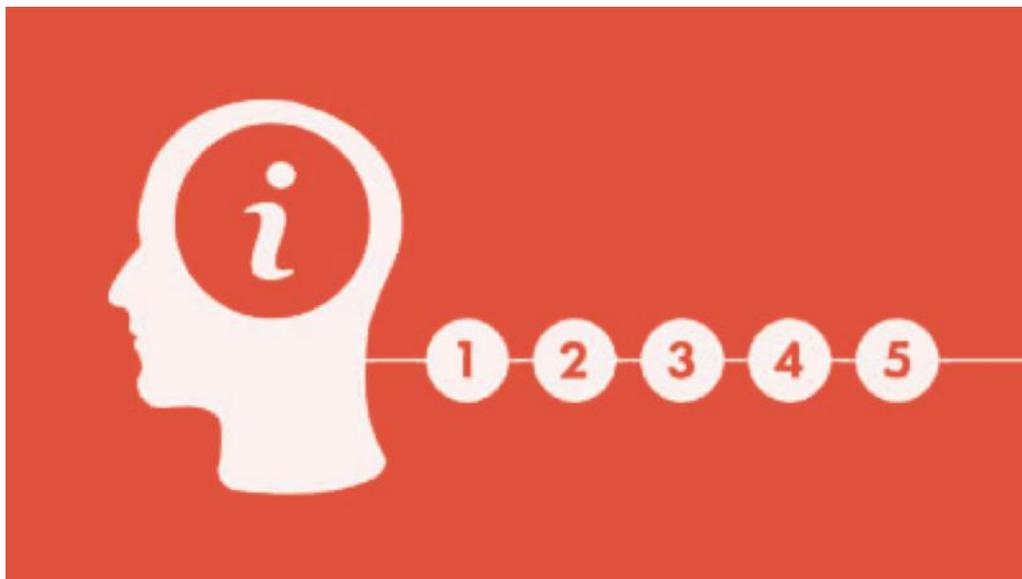


Introduction

Today, we're going to be diving into the five stages of the consumer decision-making process. How consumers make decisions varies and continues to evolve. However, the five stages, surprisingly, remain the same. A video on this subject can be viewed [HERE](#).

Now, as a brief overview, the five stages of the consumer-buying or decision-making process were established by John Dewey in 1910. That whole process is still very much the same:

- ▶ **STAGE 1:** Consumers have a problem or a need.
- ▶ **STAGE 2:** Consumers want to search for further information. Previously they asked a friend or co-workers, or looked at the newspaper. Things have changed a little in our digital world.
- ▶ **STAGE 3:** Consumers evaluate their alternatives. *"I have this one option I like, but what about these others?"*
- ▶ **STAGE 4:** Consumers make a purchasing decision. *"I have to make a decision. Which will I purchase that will provide the most value?"*
- ▶ **STAGE 5:** Consumers evaluate after they purchase. *"Was this the right decision for me or did I make a mistake?"*



Stage 1: A Problem or a Need

At Directive, we work primarily with enterprise brands. The reason some of these companies still invest in field marketing is because that's where many of the VPs—the C-suite decision makers—are gathering information. They're looking at, *“Okay, where's the market at today? Where's it going tomorrow, and what options exist?”*

Now, the reality is, that in this "need" phase, you have various ways to influence how people are deciding what they need. One tactic is through field marketing, another tactic is strategically through your sales team. However, oftentimes, the best way for consumers to understand their “need” is through SEO and PPC.

At this stage, people are trying to figure out how to generate leads. For example, that's a query, right? *“What problem does your product or service solve? Is your brand discoverable through search engines at Stage 1?”*



Stage 1: A Problem or a Need

For example, maybe your company is a time-tracking software for enterprise brands. People search “how to manage my employees’ time” daily in the search engine. Well, if you’re one of the many apps out there that helps people manage their time better, it’s essential that you have the right content for the various stages of people when they’re discovering how to solve this problem.

A beneficial tool you can utilize for this is AnswerThePublic. If you’re looking to understand what product or service is out there and what the need is, type in your primary keyword—for example, type in, “**SEO**,” or, “**PPC**,” for us—or for you, maybe it’s “**cloud security**.” Then see what people are searching for when using that keyword. You might see topics like, “The benefits of cloud security” or “Am I hacked?”

Remember, these are all real needs and problems your target audience may face in this industry. You need content at this stage of the **marketing funnel**.



Stage 2: Information Search

Once someone is aware of their own need or problem, they now need to solve it. *“Could I solve this myself? If I need to hire someone, who’s the best option for me to hire?”*

For those clients of ours in the B2B SaaS space, this is where the majority of their opportunities, deals, and revenue comes from—at the information stage. This is the bottom of the funnel and right before buyers make purchasing decisions. For example, people may realize they have a cloud security issue so they’re searching for the top cloud security vendors. Here’s where your own website probably won’t rank. In fact, at Stage 3, it probably won’t rank either. You’re going to have a hard time generating these leads through yourself.

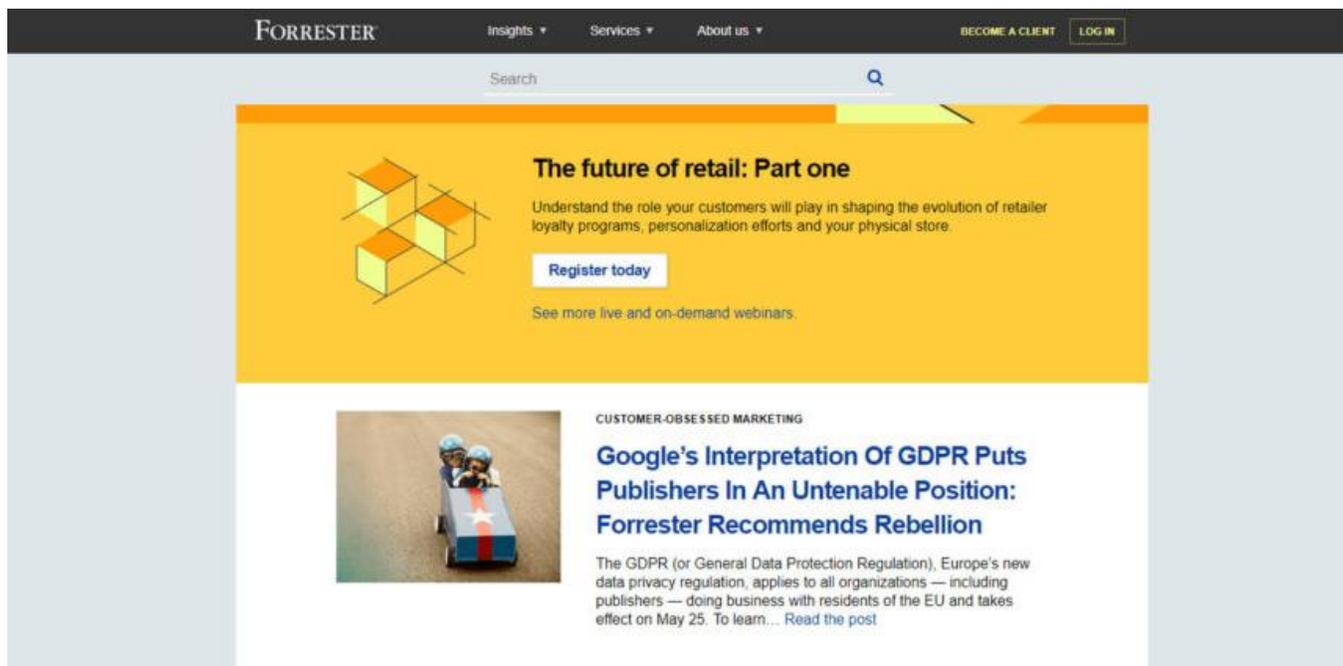


Stage 2: Information Search

Historically, people gathered information through friends, the television, the radio, the newspaper, and more. The system has changed. Consumers take their queries directly to search engines—areas where they can control the entire experience themselves. The reality is that you need to make sure your brand is discoverable when your audience is searching for relevant terms to your industry.

This goes back to the Yelp and the Amazon effect. B2B customers are now just the same as B2C customers, in the sense that they don't want *you* to tell them why you're so great, but instead, they want to look at other people saying that you're great.

This is why **Gardner** has a full business model. This is why **Forrester** has a full business model. It's because these are "independent,"—*now I say that with quotes*—research companies that are giving information to targeted consumers who are looking to buy. You need to be a part of that journey.



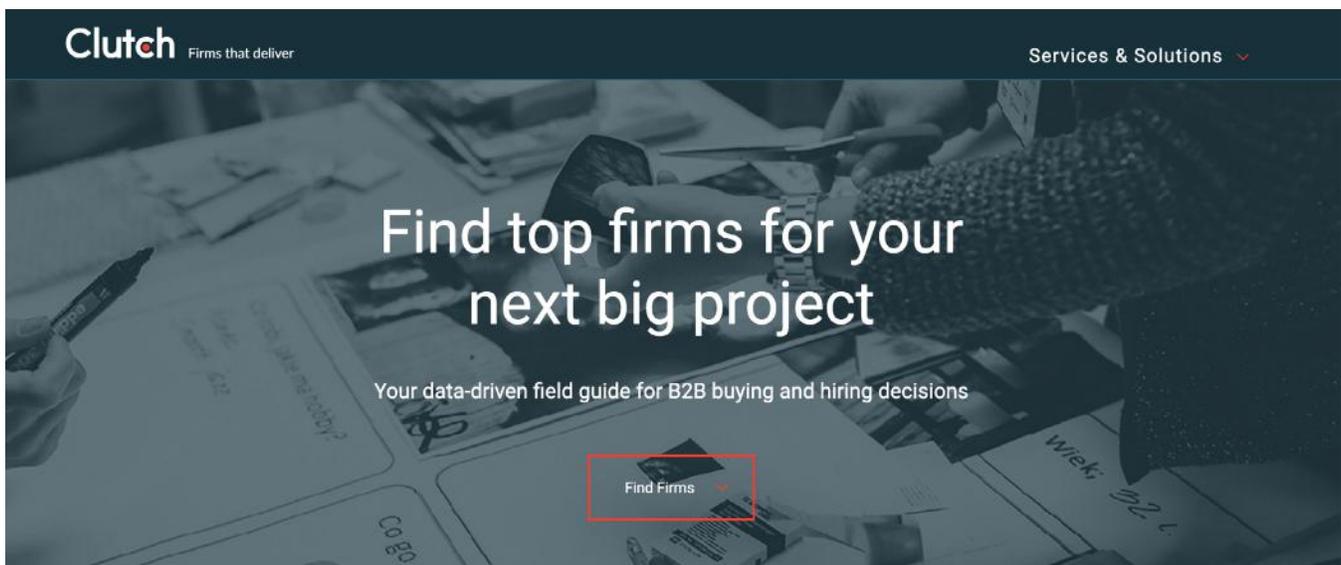
The screenshot shows the Forrester website interface. At the top, the Forrester logo is on the left, and navigation links for 'Insights', 'Services', and 'About us' are in the center. On the right, there are links for 'BECOME A CLIENT' and 'LOG IN'. Below the navigation is a search bar with the text 'Search' and a magnifying glass icon. The main content area features a large yellow banner for 'The future of retail: Part one' with a graphic of stacked boxes. Below this banner is a 'Register today' button and a link to 'See more live and on-demand webinars'. Below the banner is a section titled 'CUSTOMER-OBSSESSED MARKETING' featuring an article titled 'Google's Interpretation Of GDPR Puts Publishers In An Untenable Position: Forrester Recommends Rebellion' with a small image of a toy car and a person.

Stage 3: Evaluation of Alternatives

Historically, as the marketer, you got to control what people thought about your product. Now, other people control what is being said about your product. You need to ensure that when your audience evaluates their alternatives they don't forget about you.

Oftentimes I notice people address Stage 3 through, what I call, competitor “Google Ads campaigns”. This is where you launch ads around your competitors’ brand terms so you can show up and say, “*You want to try Zenefits, but you really should know about Gusto.*”

In the last four-and-a-half years, we've never seen one of these campaigns perform profitably. So instead of simply trying to take people who have already decided they want Zenefits and try Gusto, you need to go back into that informational search. That's where [Software Advice](#), [Capterra](#), [G2 Crowd](#)—for us, it's [Clutch.co](#)—come into play. It's crucial to be present on third-party directory sites that your target audience monitors.



Usually, you can find these directories and review sites for your industry by doing very simple queries. Take your primary keyword and before you search, add “*Top*” or “*Best*”. Or, you can take your primary keyword and put, “*Reviews*” or “*Alternatives*” or “*Competitors.*” Now, you'll start to see the ecosystem from which your brand, product, and services exist within. Make sure that you're a part of all of the relevant conversations that surround your industry.

Stage 4: Purchasing Decision

Today, Stage 4, the purchasing decision, is such an undervalued part of marketing. Often times, sales reps go into pitches with poorly-designed decks, mediocre case studies, and nothing is in the proper medium. Also, all of their information is from over five years ago. Marketers are commonly worried about lead generation that they forget that it's possible to generate one million leads and close none of them. This would be a total waste of your efforts.

What's so critical at Stage 4 is that you can lower your cost per opportunity drastically by affecting your close rate. See, when you look through an entire funnel, there's so much money being spent in generating the lead that activating the lead and closing the deal is such an after-thought in marketing that it's not being funded properly.

Ask yourself, *"If I was talking to two other vendors, does my sales team have the best assets compared to those other two competitors?"* If not, maybe it's time for you to invest more into the stage of closing the deal than trying to get more. In other words, what's the point of throwing all this water into a bucket if there are all the holes at the bottom? Focus on the bottom of the bucket just as much as getting water into it.

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Stage 5: Post-Purchase Evaluation

Finally, Stage 5, the post-decision analysis where consumers ask themselves, “*Was this company the right choice for me?*”

The reality is not every customer will love you. The ones who don’t are some of your greatest learning opportunities. Try using a simple NPS software, like [AskNicely](#)—*which we’ve leveraged here*. There are also simple tactics like quarterly or monthly check-ins, as well as weekly updates. The tighter you can get your feedback loop from customer success or customer failure and then learn from that, the faster you can improve your deliverable, your product, or your service.

The reality is, what people pay you for has a huge part to do with how you’re marketing yourself. In other words, if you looked at what [Seth Godin](#) preaches, the “*purple cow*” approach: “Is your marketing just more noise in a noisy environment or is what you’re marketing doing the marketing itself for you?” A perfect example would be [Tesla](#). They can take almost zero corporate advertising budget and still grow at a rapid rate because their product is a purple cow.



The key to success is to find a way to stand out--to be the purple cow in a field of monochrome Holsteins.

— Seth Godin —

AZ QUOTES

Stage 5: Post-Purchase Evaluation

So start to ask yourself, “What types of features, sets, or innovations can my service or product pertain to or contain so that marketing is a natural growth of what happens after someone purchases it?” For example, this could look like consumers who can’t help but tell their friends and end up spreading their positive experience on social media. That post-purchase experience is critical for you as you build your hyper growth.

If you can understand the 5 stages of the consumer decision-making process in the new context of search engines and how people are now discovering information, then you can empower your marketing and have successful campaigns that generate terrific return.

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