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Foundations of Inbound Marketing

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Inbound marketing is a set of strategies and marketing techniques aimed at attracting prospects and relevant customers to a business. Unlike traditional marketing, these techniques are not invasive, as they do not focus on competing for the attention of potential customers.

1. The New Buyer Decision Process: Definition and Evolution

The relationships between organizations and customers and the evolution that organizations have undergone as a result of the new information and communication technologies (ICT), particularly those of Web 2.0, have led to the emergence and consolidation of **inbound marketing** since its appearance in 2006.

The explosion of inbound marketing has revolved around two variables linked to marketing and sales that explain the functionality of the market, as well as the relationship between supply and demand:

- The buyer decision process.
- The corporate marketing and sales process.

1.1 The Decision-Making Process of the Consumer or Potential Customer

Engel, Kollat and Blackwell[1] define the buyer decision process as a cycle that starts when someone notices that they have a new need and concludes when they manage to satisfy it through a monetary transaction with a company. In this context, the company gives the consumer access to a certain product or service that will meet their demands.

[1] J. F. Engel, D. T, Kollat and R. D. Blackwell (1968). *Consumer Behavior*, Holt, Rinehart and Winston, New York.

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Figure 1
Stages of the Buyer Decision Process

Source: Prepared by the authors.

- **Problem/need recognition:** In this first stage or phase, the person realizes they have a pain point that must be resolved, though they have not yet identified the best solution.
- **Information search:** In this second stage, having recognized there is a need, the potential consumer begins to collect data on the options available in the market to meet their demands. The person will start to develop their own criteria about which products and services best fit their needs, without evaluating the options yet, but simply making an inventory of the viable options.
- **Evaluation of alternatives:** In the third stage, the person will begin to evaluate the characteristics of all available alternatives, based on the information gathered.
- **Purchase decision:** Once all possibilities have been considered, in the fourth stage the potential consumer picks one and makes the move to acquire it.
- **Post-purchase behavior:** This fifth and final stage encompasses the customer's attitude and their experience with the product or service acquired (e.g., product evaluation, possible subsequent recommendations).

However, a prior phase should be added to this list: **Identification of the audience that will likely experience a particular need**, but is not yet aware of it. Identifying that audience *before* they need your products or services can provide new and interesting sales opportunities to businesses.

This model is a sequential process in that the potential customer closes each stage, one after the other and in a linear fashion, when they feel ready. On the contrary, the search for information is usually not linear. For example, someone in the very early stages of evaluating solutions may also be wondering what products and brands exist in the market.

1.1.1 Example of the Buyer Decision Process

Imagine someone is looking to buy a family car after learning they are about to have their third child. Generally speaking, the available options are limited, since most vehicles marketed in Europe are designed for families with two kids (especially young children, since the back of the car only fits two child safety seats).

So, in this case, we would have to focus on families with two children, since having a third would force them to get a different car. From the commercial point of view, it is highly advisable for companies that market family cars to try to locate and identify these potential consumers, since the jump from two children to three means they will have to replace their car.

Figure 2

Source: Prepared by the authors.

After **realizing they have a need**, in order for the purchase to be totally satisfying the person will start a **research process to find out what options the market offers**, which leads them into the information search phase. During this phase, they not only make a listing of which family cars are available, but also consider other options that provide a solution to their problem.

In the third phase or stage—analysis of the available alternatives—the potential customer will begin to evaluate car brands and the services they offer. They will examine aspects such as features, the price of available family vehicles, financing options, possible discounts and promotions. Here we see other variables that fall outside of the buying process and beyond the control of companies, such as the potential consumer losing their job or wanting to seek the opinion of their partner.

After deciding on the best alternative, the person looks into possible distributors, narrows it down to what they feel are the two or three best options and, finally, settles on one of them in the fourth stage of the process, a choice that ultimately leads to a purchase.

The last stage of the decision-making process involves the behavior of the consumer after their purchase (i.e., if they decide to buy more cars of the same brand in the future, would recommend the model they purchased to their family, etc.).