

Direct Marketing

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MKT728

Lecture 6



Direct Marketing

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The Role of IMC Planning Process

Chapter
06

LEARNING OBJECTIVES

- To recognize the area of direct marketing as a communications tool
- To know the strategies and tactics involved in direct marketing
- To demonstrate the use of direct-marketing media
- To determine the scope and effectiveness of direct marketing

- Interactive system of marketing (instant feedback)
- Uses one or more advertising media (TV, SM..) to effect a measurable response and/or transaction at any location
- Uses a set of *direct-response media* (billboard call for action)
- **Direct-response media:** Tools by which direct marketers implement the communication process






Sunday, Aug 28 • 2:11 PM
 مؤسسة مجدي يعقوب

رد ب "قلب" 5 ج وخذ ثواب إنقاذ قلب
 طفل. مؤسسة مجدي يعقوب للقلب

Friday, Sep 9 • 2:41 PM

رد ب "قلب" 5 ج وخذ ثواب إنقاذ قلب
 طفل. مؤسسة مجدي يعقوب للقلب

Friday, Sep 16 • 2:13 PM

رد ب "قلب" 5 ج وخذ ثواب إنقاذ قلب
 طفل. مؤسسة مجدي يعقوب للقلب

Types of Direct Marketing



Text Messages



Emails



Phone Calls



Direct Mail



Online Ads



Flyers



Kiosks



Door-to-door



Coupons



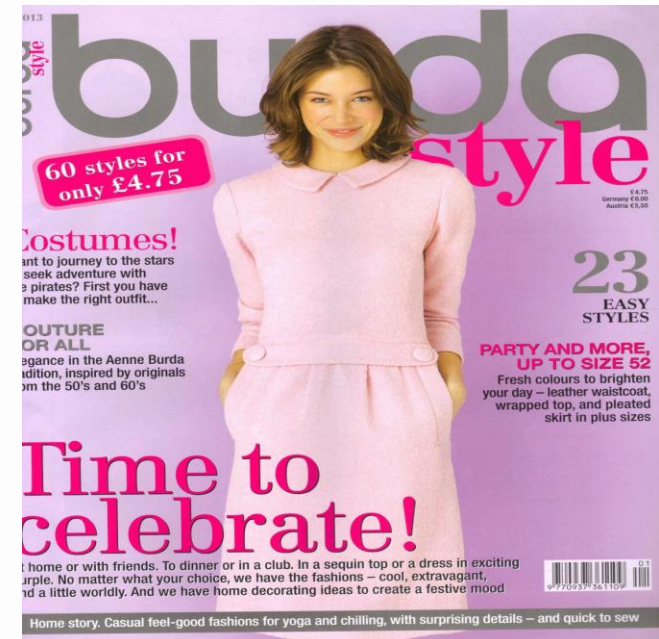
Factors that Led to the Growth of Direct Marketing (Importance)

Development and expansion of the Postal Service (Burda magazines-newspapers and magazines coupons – Ikea catalogue through subscription)

Consumer credit cards (buy – donate online)

Changing structure of society and market (due to weather/distance)

Technological advances (paypal-vodafone cash-fawry)



Factors that Led to the Growth of Direct Marketing (Importance)

Changing values and lifestyles (buy online)

More sophisticated marketing techniques

The industry's improved image (low image in past while now good image)

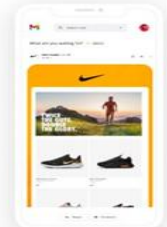


- Direct marketing is one of the fastest growing forms of promotion in terms of dollar expenditures.
- A number of factors have led to this extraordinary growth.
 - Development and expansion of the Postal Service, which made catalogs available to both urban and rural dwellers.
 - Consumer credit cards, which make it easy for consumers to purchase.

- The changing structure of American society and the market - Money-rich, time-poor society
- Technological advances that make it easier for consumers to shop and for marketers to reach targeted consumers. These include electronic media and the Internet.
- Miscellaneous factors including changing values, more sophisticated marketing techniques, and the industry's improved image.



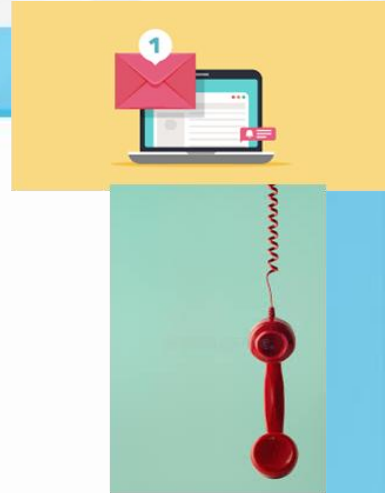
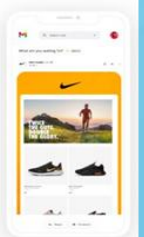
- Combines:
 - Advertising and public relations
(donations & funds)
 - Personal selling and sales promotion
happy hours
 - Support media



- Direct marketing can be used in combination with other elements of the promotional mix and can work synergistically with these tools.
 - Combined with advertising - Direct marketing itself is a form of advertising
 - Combined with public relations - Public relations activities often employ direct-response techniques to do such things as solicit funds
 - Combined with personal selling - Telemarketing and direct selling are two methods of personal selling used to generate sales

Combined with sales promotions - Direct-mail pieces are often used to notify consumers of a sales promotion or event

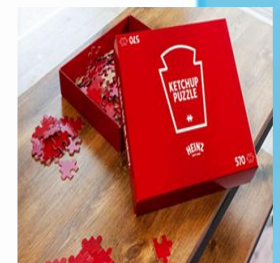
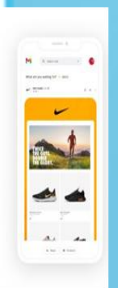
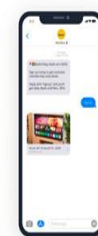
- Combined with support media - Adding a promotional product to a direct mailer increases response rates



■ Companies decide:

- Program objectives (why DM- to inform or to give discount or to address niche)
- Which markets to target and the strategies (mail-catalogue-telephone – booth in mall) to use
- How to evaluate the program's effectiveness

***DM is not personal selling or sales promotion it is in between ☺*



- To successfully implement direct-marketing programs, companies must make a number of decisions. As in other marketing programs, they must determine:
 - (1) what the program's objectives will be,
 - (2) which markets to target,
 - (3) what direct-marketing strategies will be employed, and
 - (4) how to evaluate the effectiveness of the program

To seek a behavioral response (to know directly how they perceive my brand-observe behavior)

To build an image (using WOM let people talk about me)

To maintain customer satisfaction (vodafone call survey after visiting- send for new collection/sales) CRM-sending messages

To inform and/or educate customers in an attempt to lead to future actions (tell new msg to form attitude, I have something new. Instead of doing event, I will go to your place at CFC)

- The direct marketer usually *seeks a direct behavioral response*.
- Many organizations use direct marketing *to build an image, maintain customer satisfaction, and inform and/or educate customers in an attempt to lead to future actions*

- **One-step approach:** Medium is used directly to obtain an order (no consent, do I agree to let u talk to me? Do u approve to use ur contacts/send offers?)

The screenshot shows the American Eagle Outfitters website with a prominent pop-up window for email sign-up. The pop-up has a white background and a black border. It features the text "GET HOOKED UP." in bold, followed by "SIGN UP FOR EMAILS TO GET THE LATEST STYLE INFO, OFFERS & MORE." Below this, there are two checkboxes, both of which are checked: "AEO EMAILS" and "AERIE EMAILS". At the bottom of the pop-up, there is a text input field labeled "Email Address" and a black "Submit" button. Below the input field, there is a small link that says "Check out our Privacy Policy & Terms of Use" and a note "You can unsubscribe from emails at any time." The background of the website shows a banner for "FREE SHIPPING & RETURNS ON ALL JEANS. LIMITED TIME ONLY!" and navigation links for "SHOP MEN" and "SHOP WOMEN". The American Eagle logo is visible at the top of the page.

- **Two-step approach:** Uses more than one medium

- First effort - Screens potential buyers
- Second effort - Generates the response

(1st collect data & do screening then get the most appropriate segment then take their consent to send promotions. Keeps asking every time for consent)



Direct Mail

Catalogs

E-mail

Broadcast
Media

TV Spots

Infomercials

Home
Shopping

Print Media

Telemarketing



- Unsolicited mail (spam/junk)
- Advertisers spend substantially on this medium
- Keys to success
 - **Mailing list:** Database from which names are generated (collect data while paying on cashier)
 - Ability to segment markets and offers (wrong real estate calls are they willing to buy?)
 - Threat – The Internet

Text Message
23 Sep 2021, 3:21 PM

The Back to Sport adidas offer is back! Spend 3000 EGP & win 500 EGP voucher in our stores, or get 15% discount online. T&C Apply

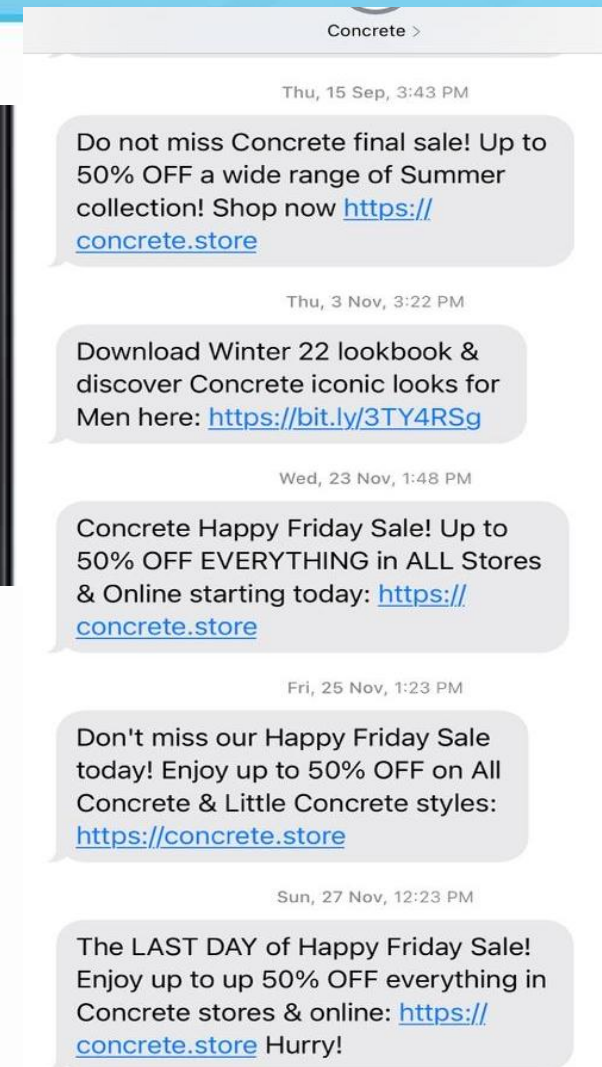


■ Catalogs

- Number of catalogs mailed is decreasing
- Available on the Internet for consumer and business-to-business customers



- **E-mail:** Electronic version of regular mail
 - Direct mail on the Internet
 - Lower cost and higher effectiveness than traditional direct mail
- **Spam:** Electronic equivalent of junk mail (no reply no direct response)



- **Broadcast media**
 - Categories - Television and radio
 - **Direct-response advertising:** Sales response for the offered product is solicited, through the one- or two-step approach
 - **Support advertising:** Supports other forms of advertising

- **TV spots**
 - Short-form programs, include direct-response commercials seen on TV



- **Infomercial:** Long commercial designed for 30-minute or 1-hour time slot
 - Designed to be viewed as a regular TV show
 - Effective with a broad demographic base



- Substantial growth due to toll-free telephone numbers and widespread use of credit cards



- **Print media**
 - Difficult to use for direct marketing
 - Ads compete with the clutter of other ads
 - Space is relatively expensive
 - Response rates and profits are low



- **Telemarketing:** Sales by telephone
 - Declined due to its potential for fraud and deception, and for annoyance



- Direct, personal presentation, and sales in consumers' homes
 - Repetitive person-to-person selling - Salesperson visits the buyer's location to sell frequently purchased products



- Nonrepetitive person-to-person selling - Salesperson visits the buyer's location to sell infrequently purchased products (Books)



Don't Miss Mavie's spring Bazar at park mall this friday and Saturday
<https://bit.ly/44H2qt0>

3:11 PM • [vodafone](#)

- Party plans - Salesperson offers products to groups of people through parties and demonstrations



- **Cost per order (CPO):** Evaluates the relative effectiveness of an ad based on the number of calls generated (*100 calls for exclusive card & 10 buy*)

How many calls received asking about my product (associations) how do u know about us and who told u about us. Mention my name while paying to take commission. Am interested but can't buy now. No thanQ

- **Customer Lifetime Value (CLTV):** Determines the dollar value associated with a long-term relationship with a customer
 - Helps determine if a customer should be acquired
 - Optimizes existing customers' service levels

Advantages

- Selective reach (supposed to validate my DB)
- Segmentation capabilities
- Frequency
- Testing (CLTV & CPO)
- Timing (when to call or send, in meeting)
- Personalization
- Costs (low)
- Measures of effectiveness

■ Advantages of using direct marketing:

- Selective reach - Advertisers can reach a large number of people, while minimizing waste coverage.
- Segmentation - Purchased lists allow segmentation based on geographic area, occupation, demographics, job title, and more
- Frequency - How often the target market is exposed to the ad. Inexpensive mediums allow more frequent ad runs
- Testing - Direct marketing allows for easy testing of the effectiveness of the overall program as well as specific elements.
- Timing - Direct marketing materials can often be put together and distributed quickly, unlike other media, which require long-range planning.
- Personalization - No other advertising medium can personalize the message as well as a direct media.
- Costs - Direct marketing costs can be high, but the actual CPM may be low due to the ability to specifically target the audience and eliminate waste coverage.
- Measures of effectiveness - Feedback is often immediate and always accurate.

Disadvantages

- Image factors (Junk, inbound call for action ad & outbound call ppl not in my list)
- Accuracy (misleading data, changed his no or address)
- Content support (limited mood creation)
- Rising costs (data is expensive)
- Do Not Contact lists (Block)

■ **Disadvantages of using direct marketing.**

- Image factors - The mail segment of this industry is often referred to as junk mail, and junk emails fare no better. Direct-response ads on TV are often low-budget ads for lower-priced products, which contributes to the image that something less than the best products are marketed this way.
- Accuracy - Computerization has greatly improved the accuracy and currency of lists, but the cost of generating a lead can be expensive depending on the quality desired.
- Content support - Mood creation is limited to the surrounding program and/or the editorial content.
- Rising costs - As postal rates and print costs increase, direct-mail profits are directly impacted.
- Do not contact lists - Now exist for both land and cell phones, and a Do Not Contact list for junk mail is under consideration by the FTC

- Recognized the area of direct marketing as a communications tool
- Knew the strategies and tactics involved in direct marketing
- Demonstrated the use of direct-marketing media
- Determined the scope and effectiveness of direct marketing



Chapter

06

To Sum Up...



مجموعة جامعة
الجميع الذكية
للتعليم القابضة

MIDOCEAN
UNIVERSITY
BY EVERYONE'S SMART UNIVERSITY



Thank You

Dr. Perihan Salah

