

Marketing strategies: direct and online assignment

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Direct marketing allows the business to see immediate results from the customers and prospects when presented with ad campaign. There are several direct marketing activities which uses the direct marketing tools and allow direct response. Direct marketing is practiced by businesses of all sizes from the smallest start-up to the leaders on the Fortune 500. The demonstrable result of Direct Marketing is the reason for its increasing popularity. Other than making their products known to their customers, the companies can use Direct Marketing to gather feedbacks, comments and suggestions from them.

Physical marketing wherein it involves a salesperson knocking from door to door selling a product or service requires time, budget and effort. It doesn't ensure the racketeer that each house that the salesperson visit would buy the product. Whereas for direct marketing results can be done in two ways. One, when customers call in and ask for assistance, employees can offer callers of the new product to resolve his concern or simply to inform them. Second, employees can call customers to inform of the latest offers of the business.

Also, direct marketing builds a strong customer relationship. When customers are heard and valued, most likely, they will choose the business rather than the competitors. It creates a direct relationship with the customers since it enables them to interact. A. History Mail order pioneer Aaron Montgomery Ward knew that using the technique of selling products directly to the customer at appealing prices could, if executed effectively and efficiently, revolutionize the market industry and therefore be used as an innovative model for marketing products and creating customer loyalty.

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The term “ direct marketing” was coined long after Montgomery Ward’s time, In 1872, Aaron Montgomery Ward produced the first mail-order catalog for his Montgomery Ward mail order business. By buying goods and then reselling them directly to customers, Ward was consequently removing the middlemen at the general store and, to the infinite of the customer, drastically lowering the prices. The Direct Mail Advertising Association, predecessor of the present-day Direct Marketing Association, was first established in 1917. Third class bulk mail postage rates were established in 1928.

In 1967, Lester Wunderkind identified, named, and defined the term “ direct marketing”. Wunderkind?? considered to be the father of contemporary direct marketing?? is behind the creation of the toll- free 1-800 number and numerous loyalty marketing programs including the Columbia Record Club, the magazine subscription card, and the American Express Customer Rewards program. B. Principles As can be seen in the figure, the four elements of successful direct marketing can be looked at either as four triangles or alternatively as one triangle inside another. 8. Interaction Interaction is in the centre. Interaction includes the stimuli we marketers create in the hope of producing a response from the people in our target market. Their response is also included in the interaction triangle. In all cases we will attempt to attribute a response to the correct stimulus. Thus, the results of our activities form the core of our information system and enable s to become progressively more efficient at targeting, control and continuity. That is because we are learning by experience. Interaction takes center stage in direct marketing information system.

B. 2 Targeting Targeting refers to our decisions on who will receive our message and includes our media selection: W, banner ads, print advertising, direct mail, telemarketing, e-mail and soon. We may be targeting our established customers, identified prospects or a much larger audience of 'suspects'. In all of these cases our targeting decisions will generally outweigh in importance sections about what to offer and how to frame our message. By examining the results of our previous attempts to target correctly, we can keep on refining our future targeting. B. Control Control is the management of our marketing. It includes setting objectives, planning at the strategic and operational levels, budgeting and assessment of results. The process is cyclical, future planning being informed by past results. Interaction is at the heart of direct marketing. The completeness and accuracy of our data within the interaction triangle will be crucial to the exercise of control. Interaction quantifies the effects of our marketing. B. 4 Continuity Continuity is about retaining customers, cross-selling other products to them and up trading them.

In the vast majority of business enterprises, the bulk of profit arises from dealings with established customers. Our painstaking care in recording interactions enables us to communicate with customers, recognizing their interest and showing appreciation of their custom. The special challenge of e-commerce and of contact centre management is to respond to customers in real time. C. Media or Channels of Direct Marketing c. I Direct Mail Direct mail is the most heavily used direct marketing medium and the one most direct marketers learn first.

Direct mail has been used to sell a wide variety of goods and services to consumers as well as businesses, and it contains uses to grow despite postage increases. Direct mail offers several advantages over other media, including selectivity, personalization, flexibility, and testability. It allows businesses to target individuals with known purchase histories or particular cryptographic or demographic characteristics that match the marketer's customer profile. Direct mail can be targeted to a specific geographic area based on zip codes or other geographic factors.

Personalization in direct mail means not only addressing the envelope to a person or family by name, but also perhaps including the recipient's name inside the envelope.

C. 2 Telephone Based Marketing (Tell Marketing) The use of the telephone in direct marketing has grown dramatically over the past two decades. Expenditures now may equal, or even surpass, those of direct mail. Telephone-based direct marketing may be outbound and/or inbound. Inbound telemarketing is also known as telemarketing and usually involves taking orders and responding to inquiries.

C. 3 Magazines Direct response print ads in magazines must make a definite offer or request that asks the reader to do something. Typically, such ads require a reader to send in a coupon or reply card, or call a toll-free number. With well over 2,000 consumer magazines now being published, magazine ads allow direct marketers to reach audiences with identifiable interests.

C. 4 Newspapers While direct marketers advertise in magazines more than newspapers, newspapers have some distinct advantages.

These include the variety of sections offered within a newspaper, shorter closing dates, an immediate espouse, and broad coverage of a large and diverse audience. Disadvantages include poor ad reproduction and the limited availability of color. Editorial content can also have more of an adverse effect on ad response than in magazines. In addition to advertising in the regular pages of a newspaper, direct marketers also advertise in free-standing inserts (Ifs) that are usually distributed with the Sunday editions of newspapers. C. Television Direct marketing on television is increasing. Early examples Of direct response advertisements on television that should be familiar to viewers include those for knives, garden tools, exercise equipment, records, and books, which ask viewers to call in and order a specific product. More recent developments in direct response television advertising include a return to a lengthier format, commonly known as the infomercial, where a product or other offer is explained in some detail over a time period extending to 30 minutes or more.

Advocates of this format point out that the greater length gives the advertiser the opportunity to build a relationship with the viewer and overcome initial viewer skepticism, and at the same time present a invoicing story spelling out product features and benefits in detail. D. Factors driving direct marketing success Advocates are your very best customers. They not only buy from you very heavily, but sell for you by touting your product or service to business colleagues, friends and neighbors.

The objective of any direct marketing effort is not just to get a response or make a sale. It is to build customers. Direct marketing can be used at any stage - separating suspects from prospects, moving prospects to trial, <https://assignbuster.com/marketing-strategies-direct-and-online-assignment/>

converting one time buyers to multiple buyers, and getting multi-buyers to become advocates. Not everyone will become an advocate. Direct marketing helps you leverage the 80-20 rule (80% of your business will come from 20% of your customers). It allows you to identify the 20%, reward them to retain them, and then clone them. D. Select the right media. Direct mail is not always the right response medium to use, nor is the Internet. It depends entirely on the profile of your customers/prospects and on the nature of your product. Its important to recognize that planning and buying media for direct marketing purposes is much different than for general advertising. The objectives are not the same, and fortunately the dates are not the same. In those media exclusively used by direct marketers (mail and telephone), working with someone who understands mailing lists is of the utmost importance.

Lists are responsible for 60-80% of the success of a mailing, so using the wrong one can really hurt your chances of success. D. 3 Make the right offer. An offer simply means what you're willing to give and what you want in exchange for a particular response from prospects or customers. Included in the offer are price, terms, guarantees, and extras. The right offer doesn't necessarily mean the one that generates the most responses or the one that enervates the highest profitability from the individual effort; the right offer is the one that ultimately contributes the most to your business.

Offers are normally categorized by the objective of the direct marketing effort - lead generation (for field sales or telephone follow-up), traffic-building (to a retail location, trade show booth, or Web site) or direct sell to business or consumer markets. In direct-sell situations, free trials, samples, <https://assignbuster.com/marketing-strategies-direct-and-online-assignment/>

premiums and discounts can all work to draw attention to your promotion and to boost response. And despite their recent bad press, sweepstakes, if handled erectly, can work in your favor. You need not offer \$10 million (or even \$10 thousand in some circumstances) to increase your response.

Whenever possible, offer a guarantee. Certain offers will help you move customers from being one-time buyers to advocates. Loyalty programs deserve consideration from almost every marketer. Then, depending on your product or service, you can consider offers like automatic shipment, membership clubs, and continuity programs. D. 4 Create advertising that gets response and builds A relationship you need to break through all the communications clutter in the marketplace. Now comes the hard part: the breakthrough must be done in a way that's credible and keeping with your product or service.

Example: You can put a photo of a cute baby on the envelope of a direct mail package to get it opened. But if you're selling steaks-by-mail, you have to tie the product to the baby or you will have attracted attention without paying it off for the reader. The keys to creating good direct response advertising are understanding the prospect's beliefs and coming up with a strategy to change those beliefs in your favor. Good direct response advertising involves the prospect. 0. 5 Analyze response to improve profitability One of direct marketing great assets is that is exquisitely measurable.

The ultimate measurement is lifetime value of a customer. This means how much profit a customer contributes over a period of time (usually five years) after the cost of goods and services and promotional expenses. There are a

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number of ways to improve lifetime value (other than lowering product/service costs): lowering customer acquisition costs, increasing frequency or duration of purchase, and increasing size of purchase. Being able to measure means being able to improve. But the only way to improve is to test on a continuous basis. The critical factors to test are: The media you use.

Will print advertising bring in new customers more cheaply than direct mail?

Will they be better customers? Which lists pull the best response? The offers you make.

Increasing your shipping & handling charge by \$1.00 could

substantially increase profits because it has no effect on response. A 30-day

free trial could substantially increase the number of people who respond.

BUT if your product isn't good, the trial could have a negative effect on

profitability. The creative approaches you take. What strategy best separates

you from your competitors? Should you say it with different words, fewer

words and more pictures? Your timing.

What months are best for you? What's the ideal time between efforts

particular prospect and customer groups? How many times should you

communicate with a prospect group before you give up? E. Common Direct

Marketing Mistakes E. I Not Having a Concise Mission Statement for Your

Business Everyone needs to know what business they're in and they need to

be able to express that purpose in a few sentences in their unique Selling

Advantage (USA). A plumber is not in the business of plumbing, a carpet

cleaner is not in the business of carpet cleaning. They're in the business of

marketing plumbing or marketing carpet cleaning services.

Marketers need to allow customers to take advantage of their services and achieve what they want. The mission statement is what is best for every business. One can constantly measure all of the activities then to the mission of the company. The success can be measured by the success of the clients or customers. E. 2 Focusing on YOUR Own Business or Personal Perspective Instead of 100% on the Customer One needs to continually think of what they can do for their customers and what unifies and advantages can be piled onto the product or service to make it irresistible.

Treat all costumers as VIP and the costumers themselves will build your business for you. Extra time and services must be provided for public relations with the customers. Remember that marketing may be conducted for the masses, but the customers are only going to come in one at a time. Costumers always think of themselves as special individuals and you should too, even though you're marketing to the entire market. E. 3 Ignorance or Lack of Knowledge of the Total Customer Net Worth Marketing s conducted for the masses, but the customers come in one at a time.

When money is spent, value must be acquired for investment and then the asset. That asset will be an turned into a long-term business value. One of the worst mistakes 99% of the businesses make is letting prospects and clients come and go with no thought as to how valuable they really are and how valuable they are to the future security of your business.