Direct marketing assignment

Art & Culture

A Reported Submitted To Direct Marketing Manager 30th April 2009 1. 0 Executive Summary Telekom Malaysia Berhad as know as TM is one of the largest telecommunications service and Number One information communication technologies providers in Malaysia which offers a comprehensive range in fixed-line, mobile, data, and broadband communication services. Streamyx is one of the products of TM. It is Malaysia popular fixed-line user favorite that have the highest connectivity up to 4. 0Mbps. Streamyx is a wire broadband provided by TM and wireless broadband such as Streamyx Zone???.

Streamyx Zone??? is a wireless broadband that allowed users to access to the Internet any time anywhere. AIDA model in direct marketing is a successful stage of purchases by consumer in personal selling by creating an advertising message which can obtain Awareness, Interest, Desire and Action. These four element model comes from the alphabet AIDA and each element contain different issues and meaning. The budget of perform new campaign have to be calculate accurately so that the company will be able to raise the reputation and increase the sales volume.

There are several new campaign have been suggested such as SMS campaign, telemarketing campaign, and contest campaign. In the SMS campaign user can be obtain the information needed from TM Streamyx such as the latest promotion package, latest information about new technologies, etc. Telemarketing campaign is to build and maintain the satisfactory of customer relationships. Contest campaign is a campaign that allowed user to join the campaign in term of competition. Winner can be

getting valuable prizes once they win in the competition. 2. 0 Introduction of Telekom Malaysia Berhad (TM) History

Telekom Malaysia Berhad was founded as a government organization and privatized in 1987. Telekom Malaysia Berhad is one of the largest telecommunications service providers in Malaysia which offers a comprehensive range in fixed-line, mobile, data, and broadband communication services. Telekom Malaysia Berhad as know as TM is the Malaysia Number One information communication technologies provider. Besides that, TM is known as a market leader and offers a comprehensive range of communication services and solution in broadband, data and fixed-lined.

As a market leader, TM emphasis on providing continuous customer service quality enhancements and innovations. Therefore, TM is balance the position of Malaysia as a regional Internet hub and digital gateway for South-East Asia with the extensive global connectivity. TM also involve of Next Generation Network service provider enabling the Group to enhance its efficiency and productivity while providing enriched products and services. (www. tm. com. my) According to Chong. C. W et al (2007), the telecommunication industry in Malaysia has experienced significant growth in recent years.

The use of broadband services in Malaysia was only at 0. 85 percent in 2004 but its usage was targeted to increase to 10 percent by 2008 (Lim, 2004). In addition, the main telecommunication provider in Malaysia, which mean Telekom Malaysia (TM) projected that the number of internet subscribers in

the country is expected to reach the 10 million mark in the next five years. This statement is based on the growing trend of internet users in the last three years as Malaysia moved towards advanced information, communication and multimedia services. 2. 1 About Telekom Malaysia Berhad (TM) Products Streamyx is one of the products of TM.

It is Malaysia premier broadband which hooks up Malaysians nationwide with the fast-paced online world. Streamyx provide wide bandwidth gives Malaysians an unsurpassed Internet experience. By using Malaysia's Number One provider of information communication technologies Streamyx broadband, users able to perpetually online, enjoying unlimited usage for a fixed rate and downloading data at lighting speeds of up to 4. 0Mbps. TMNET Streamyx provide the high-speed connectivity or bandwidth will be able to support most of the broadband applications such as web hosting, video streaming, e-commerce, distance learning and others.

Besides that, Streamyx Zone??? is a broadband service without wire connection. Streamyx Zone??? will be bring users to a whole new mobile lifestyle with wireless broadband internet access at selected shopping malls, eating outlets, convention centers, hotel or at college. What users have to do is just log in at any Streamyx Zone??? sites to get the access for browse the Internet and check on e-mail using laptop, tablet PC and PDA that equipped with a Wi-Fi certified device. 3. 0 Direct and Database Marketing

In the 1980s the rapid growth of direct marketing in the financial services industry and the adoption of the discipline across the whole of business to business. However in today, the fast-moving consumer goods (FMCG)

companies, retailers, multi-national industrial multinational and the successful dot com companies, in fact every type of organization, using direct marketing to acquire and develop customers. As the world evolves toward becoming open and unified, the tools of direct marketing are more widely available country by country.

Direct marketing improve the way to successful by creative and innovative to attract customer and improving customer relationship to increase customer loyalty. 3. 1 Definition of Direct Marketing According to Direct Marketing Association (DMA) cited by McDonald, WJ (1998) was highlighted direct marketing is an interactive system of marketing which used one or more than one advertising media to affect a measurable response or transaction anywhere. Direct marketing includes direct connectivity with targeted consumers to obtain an immediate response and grow lasting customer relationship.

However Baker, MJ stated that direct marketing is the process in which individual customers responses and transactions are recorded. In Thomas, B & Housden, M(2002) mentioned that direct marketing is a discipline and subset of marketing which enabled to carry out certain marketing tasks in efficiency way. 3. 2Benefits of Direct Marketing The benefit of direct marketing is direct response. Direct response is a press advertisement or telemarketing. Press advertisement is providing readers to fill up in a coupon to make contact with a company or it provide a FOC phone number to call to place an order or to request product details.

Direct response in television advertisements as known as DRTY is designed to motivate viewers to pick up the phone and call to place an order. The fact that generated by direct response is make it possible for direct marketers to control the time of placing the advertisement. Other benefits that direct marketers have access to a broader range of media than their mass marketing counterparts and it could be open up an additional creative opportunities. Direct response's characteristic would be facilitating multi-media planning and many direct marketing campaigns are now run in a series of different media. . 3Direct Marketing Theories AIDA model stated in Tapp. A (2008) is representing the successful stages of purchases by consumer in personal selling by creating an advertising message which can obtain Awareness, Interest, Desire and Action as the alphabet AIDA. AIDA begins with alphabet A which stands for awareness is an important element to create an awareness message on the advertising. The purpose of awareness in AIDA model can be use to grab the attention of the consumers. Headlines is one of the technique use in advertisement is to hold the step of the reader.

Impressive and creative headline will help a particular company to attract the curiosity of readers. Headline that been shown in appendix A, the product that been offering is a combo package provided to the customers. Customers may have inquisitiveness what combo that been offering, the headline clutch a direct-response from the readers from moving on. The product offered illustrating in the table form because it's simple and easy to understand for consumers. Second element in AIDA model is I can be referred as interest. Interest can e defined as the prospects look at the

created ad with inspired the consumer's curiosity. The artwork or layout used in advertisement would lead the reader naturally from the headline or the illustration to the copy and build up the interest from readers. The artwork can be a short paragraph-less to intimidate reader to hold their steps. In appendix B, Streamyx is using the bold alphabetical headline in term of sharp, simple, and clear such as " Everything At Your Finger Tips". This headline will be able to know about what kind of advertisement it is.

Therefore, short message as a brief description was used in leaflet and it allows readers to compare the package offered by Streamyx and its several competitors. During the interest stage, the prospect is still vague their bets. The frame of mind is one of appraisal which tends to be made on a logical and calculating basis. Desire is different in this stage and the prospect started to has some emotional feelings for the product or service. Emotion will takes over from logic and the powerful motivations leading towards a sale are in place with desire.

Besides that, conviction is the required emotion needed for prospect. Consumer have to be convinced about they have nothing to fear and must be convinced them that they getting value for money. According to Appendix C, the Streamyx combo leaflet stated that save cost, free modem, 1, 200 areas for Streamyx ZoneTM and widest coverage in Malaysia to convince consumer to subscribe the Streamyx combo. Last stage of AIDA model will be ' A' which is stand for action. There are two creative strands to generating action which are emphasizing the need to act straight away and minimize the effort required.

Encouraging immediacy means that now get the attention from the reader must be seize them with inspiring an action. According to Nash (1995) stated that ' Delay kill response' if the prospect put down the advertisement or logs off the website maybe to look at it another time will lost the chances to sale. There are some creative techniques which can be use to maximize the sense that time is short such as free activation for Streamyx combo, free gift and free modem until at specific date. 4. 0New Campaign Budget

The cost to perform the new campaign need to be plan accurately so that the company will able to make profits and increase the sales volume. Campaign that carries out will manage to build long term relationship between the company and customers. The below table shown the new direct marketing campaign for TMNET Streamyx budget plan. Direct Marketing CampaignCost/000 (RM)Size of audienceTotal Cost (RM) Short Message Service (SMS) ??? New Customers ??? Existing Customers 1 15, 000 15, 000 Contest 801, 00080, 000 Telephone marketing to existing customer620, 00072, 000

Total Costs RM 167, 000 5. 0 New Direct Marketing Campaign for TMNET Streamyx Direct marketing's main objective is to build up and maintain customer relationship with new or existing customers. Customer service plays an important role in direct marketing, for most industry customer loyalty is an important issue because companies make money from a repetitive pattern of purchase rather than from just one sale. Streamyx need to carry out new campaign to build brand name awareness for the consumers in the marketplace.

Streamyx is segmented consumer into business line and home line which everyone can surf the internet. 5. 1 SMS campaign for TMNET Streamyx to get direct response from consumer TMNET Streamyx can be implanting new direct marketing campaign by using the Short Message Services (SMS) as an advertising media to interact with consumers by first. E-marketing as know as electronic-marketing refers to " the achievement of marketing objectives through the use of electronic communication technology" (Chaffey, 2003, p. 318). Nowadays, e-marketing is ften used as a tool of direct marketing, this means that " Marketing through advertising media that interact directly with consumers, generally calling for the consumer to make a direct response" (Kotler et al, 2002, p. 784). Mobile advertising has basically been categorized into push-and pull-models as it shown in (Barnes 2002). During the pull-model campaign, TMNET Streamyx would be sending the information requested by the consumer. As in the push-model, TMNET Streamyx works out as take the initiative to send latest message to the consumer.

However, TMNET Streamyx will be request consumers permission like asking them to choose either want to receiving commercial message or not. TMNET Streamyx was concerned about the consumer permission while giving the consumer an opportunity to stop receiving commercial message at any time (Tezinde et al, 2002). This approach can be considered to reduce individual's privacy concerns (Sheehan and Hoy, 2000). It can act as a trust-building alternative to more effective information control (Milne et al, 1999).

Barwise and Strong (2002) identify six ways of using SMS for advertising, which is: i. Brand Building ii. Special Offers iii. Timely Media " teasers" competition iv. Polls/Voting v. Product and Services vi. Information Requests

TMNET Streamyx is able to build a good relationship with the new or existing customer by implementing the six ways of using SMS for advertising. According to Enpocket (2005a), " text message campaigns are allowed to deliver 15 per cent response rate which estimate twice as much as direct mail or e-mail campaigns". In facts, the text message is 50 per cent more successful at building brand awareness than TV and 130 per cent more than radio" (Enpocket, 2005c). Many benefits can be bringing out with the satisfaction of the customer. " Satisfied customers are less price sensitive, buy additional products, are less influenced by competitors and stay loyal longer (Zineldin, 2000)". 5. 2 Telemarketing campaign, to build and maintain TMNET Streamyx customer relationship Besides that, TMNET Streamyx can use the telemarketing to build and maintain the satisfactory of customer relationships.

Telemarketing can be an important part of integrated marketing communications program. The objective of telemarketing is to reach customers in a personalized, cost-effective interaction that meets customer needs. Telemarketing involves in telephoning a potential customer to achieve a sales goal, potential customer for TMNET Streamyx is important because potential customer able to pass the word of mouth to others new customer. By using the telemarketing TMNET Streamyx are able to build and maintain the customer relationships. Telemarketing can be either inbound or outbound.

TMNET Streamyx should implement the outbound telemarketing, because an outbound telemarketing is a basic as an employee calling out to the existing customer to subscribe a new product offer by TMNET Streamyx. Outbound

telemarketing takes the initiative and asks for the sale. TMNET Streamyx is one of the products of TM, so TMNET Streamyx can grab this opportunity to get cheaper rate of calling out for the customer of Streamyx user to offer the new products. According to Prabhaker, P. R. , et al (1997), nowadays the markets of business competition require the use of advanced technologies.

Telemarketing is a faster and easier way to obtain the customers' response on the product and services on TMNET Streamyx. According to McDonald (1998), telemarketing is the media to increase peoples' awareness and is the largest of direct marketing media. As to increase the awareness TMNET Streamyx need to key in the data of every customer which able to help TMNET Streamyx to build long term relationships with new or existing customer. 5. 3 Contest Campaign Lastly, TMNET Streamyx can design a contest for the customers. This campaign is targeted to all the new or existing customer of TMNET Streamyx.

Implementing the contest will help to increase the numbers of customer who have interest on applying broadband that offer by TMNET Streamyx. Customer will visit the TM Company whereby there are benefits and great prizes to be won after the winners who able to answer the question provided from TMNET Streamyx. This contest campaign is design help TMNET Streamyx attract more new customers and able to maintain relationship with the existing customer. Moreover this contest campaign TMNET Streamyx can provide in online so that customer are able to browse the Streamyx website to join the contest campaign.

Providing the contest campaign online are able to help TMNET Streamyx to get the customer's databases easily, because before customer joining in the contest customer are require to fill up the personal detail form so that the company able to contact the winner by the particular detail provided from the customer. According to Roberts, M. L. , (1999) stated that " database marketing is a segmentation process carried out a computerized data of customers and prospects using statistical analyses and models in order to target individual instead of entire segments of customer or prospects".

The process of establishing and using a customer database is a continuous process of data collection, refinement and use. Customer database allows TMNET Streamyx to identify the potential customers and able to help TMNET Streamyx keeps up to date on the customer profile. TMNET Streamyx need to maintain the database arranged accordingly, so that whenever customer have any inquires regarding products or services TMNET Streamyx able to provide feedback just in a click second. 5. 0 Conclusion Direct marketing is growing rapidly as providing the quality of products and services.

As serving the customers' life more convenient and easier, direct marketing need to keep updating the customers' database which able to serves customer with new products and benefits. Moreover, maintaining customer relationship is important for TMNET Streamyx to build longer term relationship with the new and existing customer. As a conclusion, TMNET Streamyx as one of the largest telecommunications service providers in Malaysia which offers a comprehensive range in fixed-line, mobile, data, and broadband communication services should apply more new direct marketing campaign which able to improve the customer acquisition. , 599 words 6. 0

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