

Role of Direct Marketing

¹Gagandeep Kaur, ²Darshna Rani

Assistant Professor of commerce,
Janta girl's P.G College Ellenabad, Sirsa (Haryana) India

Abstract: Direct marketing can be viewed as more than just a communication tool. In many ways it constitutes an overall marketing approach a blend of communication and distribution channels all rolled in one. Direct marketing has been successful in developed nations like U.S.A. and Europe and its recent success in Indian market is testimony to the fact, which the direct marketing is going to be another powerful force in the marketing exchange and promotion process. Direct marketing is an efficient way to promote and sell product and services because it has record of proven probability. It helps in responding to the return on the marketing investments and give efficient system help in reaching fragmented and distributed market. While direct marketing help in identifying prospect and generating desired sales response it also help to customer either to go for a trial or at least seeks product information. This paper deal with concept of direct marketing and how it is beneficial for customer and what are advantages and disadvantages for customer and company and aware to public about its types.

Keywords: communication, customer, intermediaries marketing.

Introduction:

The essence of making customer over a long period of time is through keeping the customer satisfying in Indian market the direct marketing is going to be another powerful force in the marketing exchange and promotion in process. Direct marketing attempt to acquire and retain customer by contacting them without the use of intermediaries. The main purpose of direct marketing is to achieve a direct response from the customer. Direct marketing is nothing but getting the message directly to the customer without using any intermediaries. There is a growing concern about decrease in the value generating roles of intermediaries; companies have started serving their customer directly and through a process of dis-intermediaries. Direct marketing is an interactive system of media to affect a measurable response and transaction at any location. Today, uses number of media like mails, telephone, print, television, radio and new vehicle like infomercials, home shopping network and the ever powerful internet. The goals of direct marketing program is to generate a response by persuading customer to return a coupon or dial a toll free number or place an order online knowing a personal secured network. In little more than a decade, Amazon.com has become one of the best known names on the web. In perfecting the art of online selling, it has also written the rule of marketing. Many analysis view amazon.com as the model for business in the digital age. They predict that it will one day become the wall-mart of the internet. There are many special direct marketing companies which concentrate only on direct marketing model. Eureka, Forbes, real value, Amway, H home shopping network, telex brands are some of the successful direct marketing companies of India. Direct marketing is in different form such as personal selling, direct mail, email order, direct response advertising and internet marketing. Many relate direct marketing to a medium or a techniques or a channel of distribution. Direct marketing covers all the above methods of marketing.

Meaning:

Direct marketing is the process by which a firm approaches its customers on one to one basis in markets its product directly to them. It is a interactive system of marketing which use one or more advertising media to effect a measurable response. By use of direct marketing a company has led to growth in target ability, customization ability and measurability with the help of direct marketing a company deal with customer directly and sells to them directly. Direct marketing is one to one marketing and it approaches customers individually, communication with them one to one and offers product modified to suit their specific requirements, relies on customized production, individualized, distribution, communication and promotion. It is distribution of product, information and promotional benefit to member of the target market through interactive communication vehicle in manners that allows customer response to be measured. The objective of direct marketing is to achieve direct response from the customer which may take the following form:

1. Purchase over telephone or by post or via the internet.
2. A request from catalogues or sale literature.
3. A request for product demonstration.
4. A request for a salesman visit.

Objective of the study:

The objective of the study to define direct marketing and discuss its advantage to customer and companies. Direct marketing discuss how companies go about conducting online. Marketing to profitably deliver or more value to customers. The objective of studies to understand different direct marketing techniques.

Research Methodology:

For the purpose of the present study mainly secondary data used. The required secondary data was collect from the authorized books and official website, various journals, diagnostic various reports and newspapers and various famous authors books has been studying in making the study.

Benefits:**Cost effective:**

Although cost per thousand people reached may be high as compared to other mass marketing promotional techniques, direct marketing can be very cost effective for niche product. Companies are also able to remove the non value adding intermediaries from the channel any serve the benefit to the customers. There is a reduction on cost to serve customers due to less number of intermediaries in the channel.

Flexible:

Some promotional activities can take a great deal to develop from first idea to final execution like television advertising. Direct marketing often has an immediate impact on customers responses adaptability of direct marketing program to the changing environment is high, making it more flexible and instant result oriented activity for the organization.

Opportunity to build database:

Overtime, the direct marketing company is able to develop a database of customers, which includes information on what they bought, when and how they bought. Many companies use such customer database to do mail order marketing.

Alternative distribution channel:

Many organizations are realizing that direct marketing not only offers the opportunity to communicate with customers but it is also a means of getting their products to the customer as well. It is a mechanism for distribution as well as promotion. For example, fast moving consumer goods maker Hindustan level limited sees direct marketing as a way of making their merchandise available to the customer who, for some reason are unable to get to its retail outlets.

Direct response:

A marketing manager can measure the benefits of direct marketing program and identify attributes responsible for the success or failure of marketing program.

Direct approach to customer:

Direct, marketing offers the advantages of reaching large number of well-defined target customers and almost eliminate waste coverage.

Good relation with customers:

It can build an ongoing relationship with each customer. For instance, nestles baby food division maintain a database of new parents and mails them package of gifts and advice in baby's life.

Easy adaption of international marketing:

It is relatively easy to adapt a direct marketing campaign to an international target market. Most of the multinational companies adapt to a host country environment quite easily compared to adaption of other forms of marketing communication.

Eliminates sales force cost:

Sales force is not required in direct marketing for generating sales as the products are sold directly to the customers through the direct initiatives of the company. Even administering and servicing the channels, sales force is not required in DM as no channels are used at all. This sales force cost is saved in too in DM.

Direct marketing techniques: The different forms of direct marketing programs are shown below:

1. Mail order marketing:

It is also known as catalogue marketing or mail order business. Mail order marketing is one of the well-established methods of direct marketing. Many mail order marketers use catalogue for communication with the consumers. In this method, the consumer become aware of a product through information furnished to them by the marketers through catalogues dispatched by mail. The entire marketing takes place by mail. Interested consumers response by placing a mail order on the marketers; the product is supplied to the consumer by mail; payment by the consumer is also made by mails. For instance, the Ajani mills at Bangalore have been marketing substantial parts of its series through mail order. It advertises through the print media and supplies catalogue to those, who are interested, in mail order purchase. The catalogue contains full details along with pictures to provide visual appeal. The sales takes place as per mail order placed by the consumers.

2. Direct mail marketing:

Direct mail is unsolicited mail. For many people, it is fairly irritating and calls it "junk mail" and throws it or ignore without reading. Companies of all sizes use direct mail. This mail is generally based on mailing lists; the companies buy from independent sources, or in some cases is confined to consumers who have made purchase earlier. Some authors make a distinction between manufacturer-originated and trading house-originated direct mail marketing by using either direct mail or catalogue. If the marketer is a manufacturer, it is called direct mail marketing and when the source is a trading house, it is called

mail order marketing or mail order business. In direct mail marketing, not only letters are mailed to the prospects but free products samples, gifts and compliments are also mailed depending on the context.

Fax mail
E-mail
Voice mail

3. Direct response marketing:

Direct response marketing is another expression that we come across in the context of direct marketing. What distinguishes direct mail marketing and direct response marketing from each other is the media/instruments used. While direct mail marketing relies on Mail, that is, letters/mailers for obtaining the response, direct response marketing uses more instruments/media like telephone radio, TV, computers, etc. some direct response marketing campaigns, for instance, rely totally on television “infomercials”. Depending on the media used –press, radio, TV, etc. response is elicited by giving a contract address/phone number/fax number. Toll-free telephones to serve as a useful tool of direct response marketing. Toll-free telephones help better ordering by customers, better dialogue between the company and the customers and better service to the customers.

4. Database marketing:

This involves the use of huge database of customer records and contact information so that the companies can contact the target customers, from time to time, and tries to inform and convince the customers about the products. Customers database, as the very name indicates, it is a collection of comprehensive data about customers or prospects. One should not confuse it with a customer mailing list, which contains name, address and telephone numbers of customers. A customer’s database contains a lot of information about the customers.

5. Telemarketing:

Direct marketing through telephone is called telemarketing. Telemarketing is a marketing communication system where trained specialists use telecommunication and information technologies to contact customers and conduct marketing and sales activities. It is less expensive as compared to other method and can be used for a wide range of products. Telemarketing is done through a campaign.

6. Teleshopping:

Teleshopping, alternatively known as home- shopping, is a big alternative of direct marketing. Here the marketer hawks products on the air and customers watch it on their TV screen at home. These kinds of shows started in 1980s. The home-shopping shows demonstrate products and services and encourage viewers to make a buying decision. This is supported with a toll free number and addresses in different cities for procurement of the said products and services. Those who are interested, phones up the marketers and buy his requirements.

7. Catalogue marketing

Catalogue is the list of product range that a company sends directly to its customers. The catalogue usually contains details of various product price, variants, and promotional schemes along with a product preview. Customers may preserve the catalogue and use it in a future whenever they feel the need to order or replenish the products offered by the company. Customers prefer catalogues mainly because of the convenience of placing order. And also saving time, effort of the searching and evaluating products in the decision –making process. The most important expectation of customers from catalogue companies are guarantees of product delivery and the quality of products delivered.

8. Kiosk marketing:

As consumers become more and more comfortable with computers and digital technologies, many companies are placing information and ordering machines called kiosks in stores, airports, and other locations. Kiosks are popping up everywhere these days, from self-service hotels and airline. Check in devices to in store ordering kiosks that let you order merchandise not carried in the store. In the store Kadar, Fuji and HP. Kiosks let customers transfer pictures from memory sticks , mobile phone, and the other digital storage devices, edit them, and make bias let guests view their reservation get room keys ,view pre-arrival messages, check in and out , and even change seat assignments and print boarding passes for flights.

Conclusion:

Direct marketing has three different characteristics viz. a definite offer to the customers’ all the necessary information provide to make a decision, and a mechanism to respond to the offer .direct marketing is an effective tool for both consumers and business to business marketing . Marketers often find that employing a combination of various direct marketing options in a given campaign to work best. With the increase in travel time and pollutions more and more customers are being attract the facility of direct marketing. It help in building a database with consumer profits, the return are quick and its effectiveness can be to measure to the last rupee and customer reaction can be known immediately .the change in technology have also identified various methods of marketing like home shopping network, direct response television and onli9ne buying for customers’ .Indian consumers are going to see more of direct marketing in the near future.

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