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DIRECT MARKETING AS A MIRROR OF SOCIAL CHANGE

Direct marketing has established itself as a major component of the promotional mix. Whereas mass advertising reaches a broad spectrum of people, some of whom may not be in the target audience and may only buy at some later unspecified date; direct marketing uses media that can more precisely target consumers and request an immediate direct response. Although the origins of direct marketing lie in direct mail and mail-order catalogues, today's direct marketers use a wide range of media including telemarketing, direct response advertising, Internet and online marketing-W interact with people. Direct marketing attempts to acquire and retain customers by contacting them without the use of an intermediary. Unlike many other forms of communication, it usually requires an immediate response, which means that the effectiveness of most direct marketing campaigns can be assessed quantitatively.

A direct marketing campaign is not necessarily a short-term response-driven activity. More and more companies are using direct marketing to develop ongoing direct relationships with customers. Some marketers believe that the cost of attracting a new customer is five times that of retaining existing customers. Direct marketing activity can be one tool in the armory of marketers in their attempt to keep current customers satisfied and spending money. Once a customer has been acquired, there is the opportunity to sell that customer other products marketed by the company. UK insurance company became market leader in motor insurance by bypassing its insurance broker to reach the consumer directly through direct response television, advertisements using a free phone number and financial appeals to encourage car drivers to contact them. Once they have sold customers motor insurance, trained telesales people offer substantial discounts on other insurance products including contents insurance. In this way, Direct Line has built a major business through using a combination of direct marketing methods.

Direct marketing covers a wide array of methods including:

- direct mail
- telemarketing (both in-bound and out-bound)
- direct response advertising (coupon response or 'phone now')
- catalogue marketing
- electronic media (Internet, e-mail, interactive cable TV)
- inserts (leaflets in magazines)
- door-to-door.

The significant growth in direct marketing activity over the past ten years has been explained by five factors. The first is the growing fragmentation of media and markets. The growth of special magazines and television channels means that traditional mass advertising is less effective. Similarly, mass markets are *disappearing* as more and more companies seek to customize their offerings to target groups. Second, developments in technology, such as databases, and software that generates personalized letters have eased the task for direct marketers. Third, there is a significantly increased supply of mailing lists available. This aids the process of finding a suitable list for targeting purposes. Fourth, more sophisticated analytical techniques such as geodemographic analysis can be used to pinpoint targets for mailing purposes. Finally, the high costs of other techniques, such as personal selling, have led an increasing number of companies to take advantage of direct marketing techniques, such as direct response advertising and telemarketing, to make sales forces more cost-effective. *Direct marketing strategy*

Direct marketing as with all promotional campaigns, should be fully integrated with marketing mix elements to provide a coherent marketing strategy. Direct marketers need to understand how the product is being positioned in the marketplace as it is crucial that messages, sent out as part of a direct marketing campaign, do not conflict with those communicated by other channels such as advertising or the sale store.

The stages involved in conducting a direct mail campaign are similar to those already outlined for an advertising campaign. The first step is the identification of the target audience and one of the advantages of direct mail is that audience targeting can be very precise. For example, it may be possible to target only existing customers or lapsed customers provided that mailing lists of these groups are available.

The objectives of direct marketing campaigns can be the same as those of other forms of promotion: to improve sales and profits, to acquire or retain customers or to create awareness. However, one of the benefits of direct marketing is that it usually has clearly defined short-term objectives against which performance can be measured, which makes the evaluation of effectiveness relatively easy. For example, objectives can be set in terms of response rate, total sales, number of enquiries and so on.