

**HK3052**  
**Marketing Communications**

**Lecture 11**  
Direct Marketing




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**Session Objectives**

- Understanding Direct Marketing
- Understanding Media Applications in Direct Marketing
- Discussion on Creative Opportunities in Advertising and Challenges

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**Direct Marketing**

- Interactive system of marketing which uses one or more advertising media to effect a measurable response and/or transaction at any location
- Common purposes of direct marketing
  - Close the sale
  - Identify prospects for future contacts
  - Provide in-depth information
  - Seek information from consumers
  - Foster brand loyalty

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## Direct Marketing Today



- More than just mail-order
- A tool used by organizations throughout the world
- Direct marketing often is not integrated with an organization's other advertising efforts
- Most common use today is to close a sale with a customer



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## Database Marketing



- Knowing who the best customers are as well as what and how often they buy
- Mailing lists
  - Internal lists
  - External lists



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## List Enhancement



- Augmenting lists with externally provided lists
- Incorporating information from external databases
  - Demographic data
  - Geodemographic data
  - Psychographic data
  - Behavioral data



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## Marketing Database



- Includes data collected directly from individual customers
- Goal: Develop cybernetic intimacy
- Marketing database applications
  - RFM analysis
  - Frequency-marketing programs
  - Cross-selling
- Privacy concerns



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## Media Applications in Direct Marketing



- Direct response advertising
- Direct Mail
- Telemarketing
- E-mail
- Other media
  - Magazines
  - Newspapers
  - Infomercials



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## Direct Response Advertising



- Multiple media can be deployed to generate an immediate, measurable response.
- Most common media used are direct mail and telemarketing
- However all conventional media can be used



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## Direct Mail



- Advantages
  - Selective, flexible, little waste, lends itself to testing, uses many formats
- Disadvantages
  - Direct mail is expensive
    - May cost 15 to 20 times more to reach a person with a direct mail piece than with a TV commercial
  - Mail lists can be plagued with bad addresses
  - Mail delivery dates can be unpredictable



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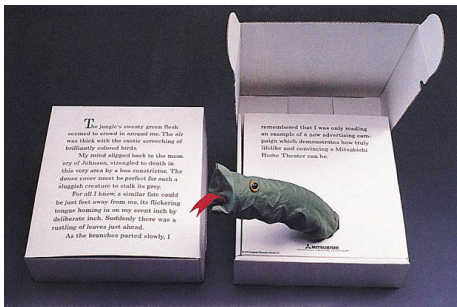
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## Direct Mail Offers Some Creative Opportunities



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## E-Mail



- Bulk e-mail is known as "spam"
- However e-mail is an increasingly popular tool for marketers
- Advantages
  - Cheap
  - Good response rates
- Netiquette suggests getting consumer permission to send product information
- Avoid bulk e-mailings



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## Direct Response Advertising in Other Media



- Magazines use bind-in insert card
- Toll-free 800 numbers are vital to direct marketers using ads in newspapers and magazines
- Infomercial
  - Long television advertisement
  - Range in length from 3 to 60 minutes
  - Keys to success
    - Testimonials
    - Frequent call to actions
    - Ensure same-day response



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## Coordination Challenge



- Marketing database can lead to interdepartmental rivalries
- Growth of direct marketing means cuts in other promotional budgets
- One solution: the marcom manager



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