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Direct Marketing: Innovative and Futuristic Approach Towards Marketing

Asmita V. Shirsat

Research Scholar, Brihan Maharashtra College of Commerce, Pune University.

Abstract

“Direct marketing is the process by which a firm approaches its customers on a one to one basis and markets its products directly to them” these definition make it clear that Direct markets its products directly from the company to the customer and there is no intermediary [retailer, wholesaler etc] involved in between. Using the internet, social media, mobile apps, and other digital communication technologies has become part of billions of people’s daily lives. For instance, the current rate of internet use among American adults is about 87% and is closer to 100% for demographic groups such as college-educated and higher-income adults. Younger people—the next generation of mass consumers—have similarly high levels. People also spend increasing time online. For example, in the UK, over the last decade the number of hours spent online by adults has more than doubled, and now averages 20.5 hours per week. Social media has fuelled part of this growth: worldwide there are now more than 2 billion people using social media, and Facebook alone now has approximately 1 billion active users per day. This Research Paper also deals with the meanings, concept, and growth of direct marketing. While focusing on these points, it has also covered the benefits of direct marketing, concept of integrated direct marketing, and major channels of direct marketing.

Keywords: Direct Marketing, Benefits of direct Marketing, Techniques of direct Marketing,

1.1) Introduction

The use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen is termed as direct marketing. These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, Web sites, and mobile devices. Direct marketing is one of the fastest growing mediums for serving customers. Customer order is a measurable response of direct marketing; therefore it is also called direct-order marketing. Today, many direct marketers use direct marketing to build a long-term relationship with the customer. They send birthday cards, information materials, or small premiums to select customer. Airlines, hotels, and other businesses build strong customer relationships through frequency award programs and club programs. Different marketing concepts given by the national as well as international experts. It also compares the old concept of marketing, which was product centred, with the modern concept of marketing which moves around the customer, this new concept is called as customer centred concept of marketing. It also emphasizes the need of changing the old and obsolete concepts of

marketing. By virtue of rapid economic development & globalization, the whole world is converted into a small village. This paper also highlights the basic ingredients of the concept of marketing such as needs & wants, demand, product, value, and exchange. It also includes the significance of marketing management in the present scenario.

1.2) Distinguish Between Selling and Marketing

SELLING	MARKETING
Emphasis on the needs of the seller	Emphasis on the needs of the buyer.
First, a product is made, and then efforts are taken to sell it.	First, target market and its wants are identified; the product is made to satisfy these wants.
The company's goal is to convert the product into cash by selling a large volume.	The company's goal is to satisfy the needs and wants of customers by means of the product. Profitable sales volume is incidental.
Short-term results are expected from planning. Only current products and markets are considered.	Long run strategic planning. New products and new markets are considered. Future growth is an ultimate aim.

1.3 Research Objective

- 1) To understand and the principles and tips for effective Digital marketing Approach
- 2) To study the Direct Marketing Practices in India its examples and its future

1.4) Relationship Marketing & Direct Marketing

Relationship marketing & direct marketing can be understood with the help of a common saying, "old wine in a new bottle". The academics and practitioners of marketing always debate on 'relationship marketing & direct marketing' and they are of the opinion that these two are indistinguishable. Biplab S. Bose, says that, "relationship marketing should be seen as more embracing than direct marketing, often incorporating relationships between multiple levels of a supply or distribution chain." In the context of the above, direct marketing can be seen as a process of simplifying distribution and communication channels, whereas relationship marketing involves structuring complex networks of inter relationship between organizations and different points in a value chain. In a small-scale industry, most of the transactions are entered into between company and its customers directly, and thereby establish one-to-one relationship with each of its customers. To comprehend this, consider the example of small shoe making industry. People of small locality usually prefer to order and buy the pair of shoes produced by the local cobbler uniquely for them. The cobbler, through repeated dealings with the same customers, comes to know the tastes & preferences of people for the shoes and paying

capacity of the people for the new pair of shoes. On the other hand, a large shoe factory never comes directly in contact with its customer and so developing one-to-one relationship with each of its customers is just a dream. Large shoe factories sell their produce with the help of wholesalers and retailers who are geographically spread over large market. In short, the large-scale industries are at the mercy of their intermediaries, so far as the sales are concerned. Here, communication becomes impersonal and one-way that too through the advertising media. Today, direct marketing, by virtue of information technology, has helped large scale industries to deal directly with their customers on a one to one basis. The factors, which have contributed a lot in making the direct marketing possible are modern databases, computer assisted manufacturing systems, and so on. As a result of these new changes, it has become now possible for the remote large-scale industries to establish one to one relationship with the help of a direct dialogue with each of their customers.

1.5) Principles of Direct Marketing

Biplab S. Basu, states that, “successful direct marketing is based on four features. These are targeting, interaction, control and continuity, or TICC for short.” Targeting refers to the selection of ultimate customers from among the prospective customers, who will read our message, for sale. The messages of sales can be sent through broadcast media, print advertising, direct mail, or telemarketing. Through these media and the message for sale we should try to capture our customers from the large audience. The tactful framing of message and intelligent offer of goods & services is the crux of targeting. For correct targeting, we must make use of our past attempts to target and their result and in this way, we must go on refining our future targeting. Control refers to the management of planning at the strategic and operational level, budgeting and assessment of results. The future planning must be influenced by the previous results. Continuity refers to retaining of the customers. It can be achieved by cross selling other products and upgrading them. Because the cost of making a sale to an established customer is very less as compared to the cost of making a new customer.

In this context, Jones & Roose in their book ‘the machine that changed the world’, reports that “Toyota was determined never to lose a former. It could minimize the change of this happening by using data on its customer database to predict what Toyota buyers would want next? To know this, Toyota went directly to established customers.” According to him, Toyota treats its established customers as members of its Toyota family. Because of this reason only, today, Toyota went from a small producer to the world’s number one in the automobile market. Interaction includes responses from the people in the target market. The responses are required to be analyzed properly. This is nothing but the base of information system. Frequent interaction makes us more efficient at targeting, control & continuity. This is because we are learning by experience.

1.6) Techniques of Direct Marketing

1) **Direct Mail:** The most common form of direct marketing mail. Sometimes, called junk mail, used by advertisers who send per mail to all postal customers in an area or to all customers on a list. Direct mail

includes advertising circulars, catalogues, free trial CDs, Pre- approved credit card applications and other unsolicited merchandising invitations delivered by mail or to homes and businesses or delivered to customers mail boxes by delivery services. Bulk mailing is a particularly popular method of promotion for businesses operating in the financial services, home computer, and travel and tourism industries.

2) Tele- Marketing: The second most common form of direct marketing is telemarketing in which marketers contact consumers by phone. The unpopularity of cold call tele-marketing has led some countries to create “no-call lists” and legislation. This remains to be a very economic method though the response rates and conversion rates are always under question mark.

3) E- mail Marketing : Now-a-days, email marketing is gaining a lot of importance over telemarketing . Needless to say these promotional e-mails are sent to the customers in e-mail marketing. A major concern for e-mail marketing is spam control. Lot of e-mail service Providers are using sophisticated spam e-mail filters, which actually predate legitimate e-mail marketing.

4) Couponing : couponing is used in print media to elicit a response from the reader. An example is a coupon which the reader cuts out and presents to a super-store check –out counter to avail of a discount.

5) Direct response television Marketing: Direct marketing on TV [Commonly referred to as DRTV] has two basic forms: Long form [usually half-hour or hour-long segments that explain a product in details and are commonly referred to as infomercial] and short form which refers to typical 0:30 second or 0:60 second commercial that ask viewers for a immediate response [typically to call a phone number on screen or go to a website].

6) Direct selling: Direct selling is the sale of products by face-to face contact with the customer, either by having sales people approach potential customers in person, through indirect means such as Tupperware parties.

1.7) Benefits of Direct Marketing

Consumers are benefited in several ways by direct marketing. Home shopping is fun, convenient, and hassle-free. It saves time and introduces consumers to a larger selection of merchandise. They can do comparative shopping by browsing through mail catalogs and online shopping services. They can order goods for themselves or others. Business customers also benefit by learning about available products and services without trying up time in meeting salespeople. Direct marketers can buy a mailing list containing the names of almost any group: left handed people, overweight people, and millionaires. They can customize and personalize their messages. Direct marketers can build a continuous relationship with each customer. The parents of a newborn baby will receive periodic mailing describing new clothes, toys, and other goods as the child grows. Nestlé's baby-food division continuously builds a database of new mothers and mails six personalized packages of gifts and advice at key stages in the baby's file. Direct marketing can be timed to reach prospects at the right moment, and direct

marketing material receives higher readership because it is sent to more interested prospects. Direct marketing permits the testing of alternative media and messages in search of the most cost-effective approach. Direct marketing also makes the direct marketer's offer and strategy less visible to competitors. Finally, direct marketers can measure responses to their campaigns to decide which have been the most profitable. (However, see "Marketing Memo: The Public and Ethical Issues in Direct Marketing.")

1.8) The Growth of Direct Marketing

Sales produced through traditional direct marketing channels (i.e. catalogs, direct mail, and telemarketing) have been growing rapidly. Whereas U.S. retail sales grow around 3 percent annually, catalog and direct mail sales grow at about double the rate. Direct sales include sales to the consumer market (53 percent), B2B (27 percent), and fundraising by charitable institutions (20 percent). Total media spending for all direct marketing in 2000 (including direct mail, telephone, broadcast, Internet, newspaper, magazine, etc.) was over \$421 billion. Electronic marketing is showing even more explosive growth. In 2001, the Internet user population in the United States numbered over 100 million, and there were over 2 million Web sites. In the week ending January 30, 2001, 6.8 million orders book place over the Internet, adding up to an amount spent of \$785 million. The fast growth of direct marketing can be attributed to many factors. Higher costs of driving, traffic congestion, parking headaches, lack of time, a shortage of retail sales help, and lines at checkout counters, all encourage at home shopping. Consumers appreciate direct marketers' toll free phone numbers available 24 hours a day, 7 days a week, and their commitment to customer service. The growth of next-day delivery via FedEx, Airborne, and UPS has made ordering fast and easy. In addition, many chain stores have dropped slower moving specialty items, creating an opportunity for direct marketers to promote these items to interested buyers. The growth of the Internet, e-mail, mobile phones, and fax machines has made product selection and ordering much simpler. More and more business marketers have turned to direct mail and telemarketing in response to the high and increasing costs of reaching business markets through a sales force.

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