

# Direct marketing



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## **1 Direct Marketing (DM)**

## **2 DM target groups, media and tools**

## **3 Geomarketing, CRM**

# 1 Direct Marketing (DM)

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- In the beginning, DM was a part of distribution – considered as direct purchase channel.
- Later it became an instrument of marketing communication.
- Use of direct channels to reach customers and delivery of goods and services without using marketing middlemen (intermediaries).
- Many marketers use direct marketing to build long-term relationships with customers.

# 1 Direct Marketing (DM)

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- Direct marketing transmits the promotion message directly to the existing or future consumers.
- It also includes the creation of the respondent database.
- The word "direct" means the use of media allowing direct contact (mail, catalogues, phone contacts or brochures).
- To obtain an immediate response, we can use coupons, phone calls and personal visits.

# Toyota Corolla 2015 – Synced Direct Mail



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**SYNCED DIRECT MAIL**

THE FIRST DIRECT MAIL TO BE SYNCHRONIZED WITH THE LAUNCH OF A CAR.

Pay attention to the traffic signal  
and be the first to see the  
**New Corolla 2015.**

The most  
**irresistible**  
launch of the year is coming.

When the light turns yellow,  
the car is launching.

It's green!  
Run to the store to see the  
new car with hands up first.

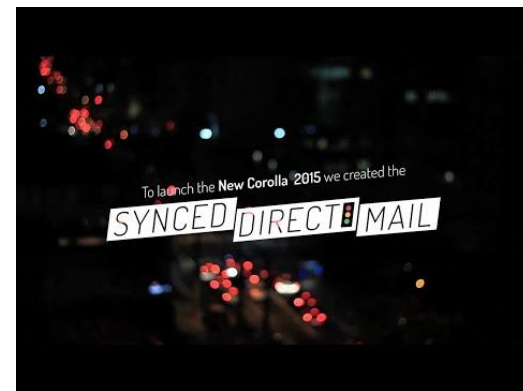
**First day**  
**Few days after**  
**The big day**

In order to divulge the New Corolla 2015 we created the Synced Direct Mail. Bloggers and journalists would know in real time the moment that the new model arrived at the dealership.

**Result:**  
Increase of **257%** in the Corolla site traffic.  
More than **500,000** people impacted.  
A **900%** increase in test drives.  
**8,000** people in the waiting line for the new car.

**How does it work?**  
The direct mail arrived with a red traffic signal light.  
A timer inserted inside the page did all the rest. A few days after the light turned yellow and on the day of the official launch the traffic light turned green, indicating that one should run to the dealership to be the first to see the new car.

**WATCH THE VIDEO**



- **Active DM** – the marketer (company) addresses the commercial message to customers as the first.



- **Passive DM** – customers ask for the product or information as the first.

# DM advantages

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- It doesn't use mass media. It uses addressable media.
- It communicates with consumers as individuals.
- It is interactive, meaning, that consumers respond directly (and measurably) to direct communications.



- It is effective because the communication is targeted only to those individuals who are likely to be interested in the offering.
- It helps to create a database of customers – CRM (Database marketing).
- Ability to serve the customer who does not have time.





# DM disadvantages

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- Junk mails – SPAM
- Invasion of privacy
- Limited reach
- The companies must respect legal rules!



- Carpet bombing
- Database marketing
- Interactive marketing
- Timed personalized marketing
- Marketing of a lifelong value



# DM objectives

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- Direct sales
- Sales support and distribution
- Brand awareness
- Loyalty and customer retention



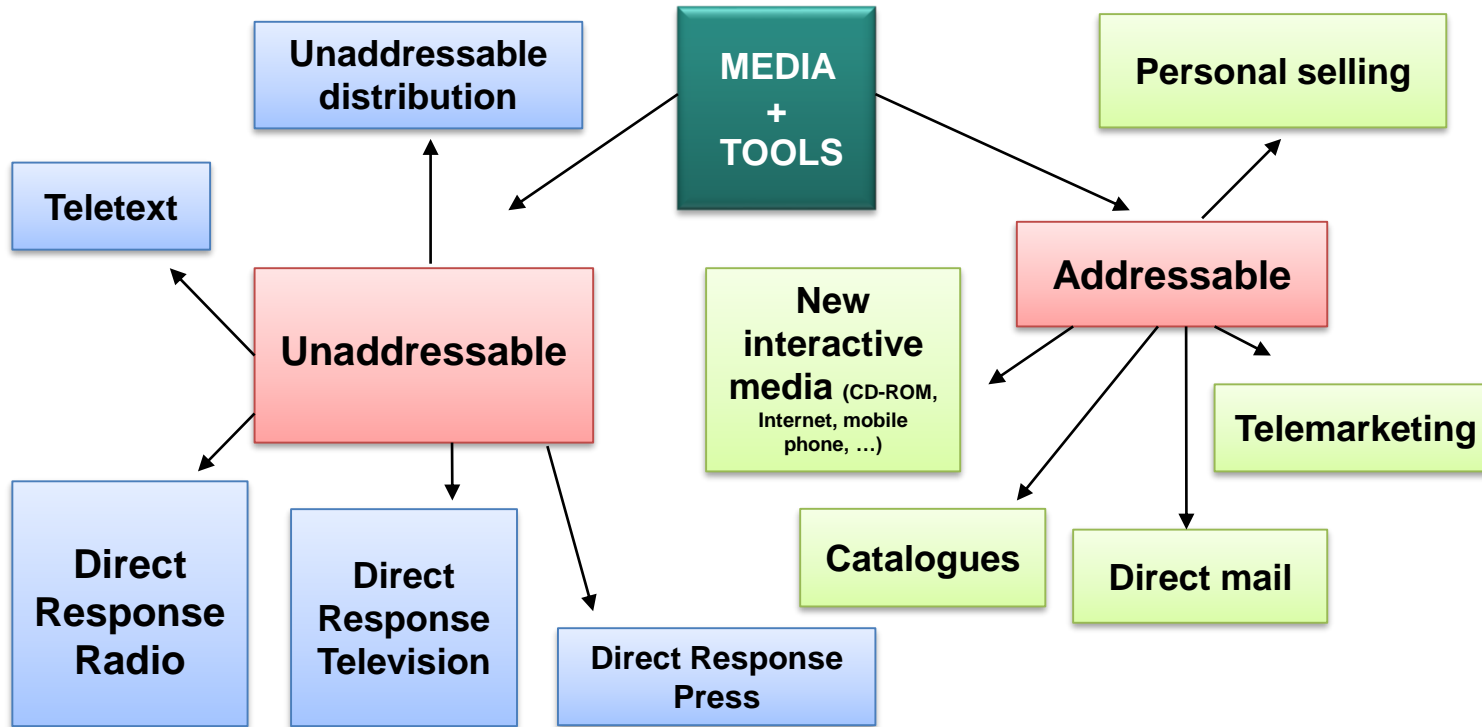
## 2 DM target groups

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- B2B (very effective!)
  
- B2C – typical application in:
  - Financial services
  - Telecommunication services,
  - Tourism, cosmetic products, car producers, etc.

# DM media and tools





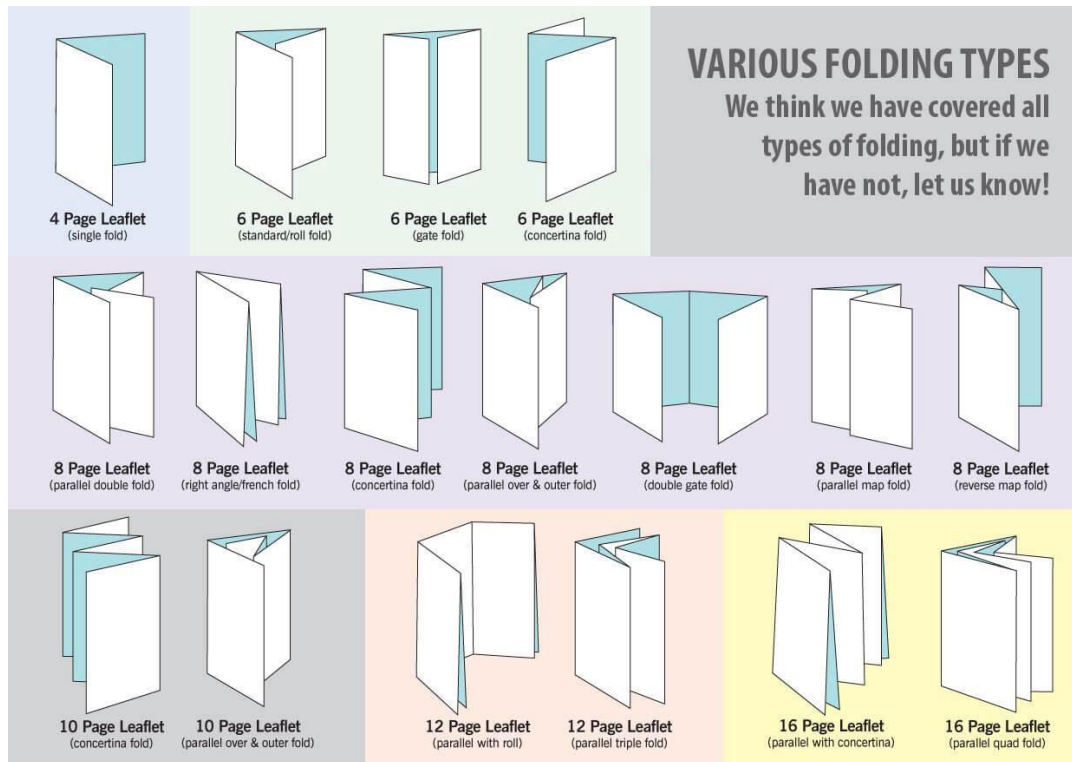
- Direct marketing in addition to direct communication channels also uses the mass, respectively non-targeted media.
- The functionality and popularity of different media varies over time.
- A very popular tool is untargeted mailing (e.g. leaflets from retail chains).
- Geomarketing.

# Untargeted distribution of DM materials



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- Unaddressable tool.
- Mass distribution of DM leaflets to households, no one in particular, to all potential customers across the board for one territory.



- This type of advertising is published in print in order to:
  - Create direct customer reaction by sending a coupon or calls to a specific phone number.
  - Establish close and clear link between the answer and what is the content of the advertisement.
  - Identify the respondent.



- Modern television broadcast receivers can be used in several ways.
  - Older teletext offered the opportunity to rent a website to disseminate the message and generate a response.
  - Teleshopping.
  - Television advertising with direct reactions (Direct-Response Television - DRTV), which is the use of minute-long spots in prime time at which the viewer can respond with his remote controller.

# DRTV – direct response television

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- DRTV is a TV spot with direct response. Integral part is telemarketing service.
- DRTV spots encourage customers to take action – buy.
- The basic aim of DRTV spot is to provoke measurable feedback.



- One of the most effective direct marketing tools.
- Shipment is directly addressed to specific recipients.
- The primary goal is to attract the customer enough that he is interested in the mail/package.
- The offer created so that the clients' attention is caught and he reads it.
- Feeling of plasticity/texture.

- Any measurable activity using the phone, which aims to help you find, acquire and develop a relationship with the customer.
- The phone is the most direct of all direct media tools, and has a number of advantages.
- It is flexible, interactive and fast.
- Telemarketing campaigns can be launched immediately, and their effectiveness can be instantly monitored.

Type of telemarketing	Generating sales	Sales support
In-bound telemarketing (inside)	Acceptance of orders	<ul style="list-style-type: none"><li>• Information about the product and the company</li><li>• Customer Service</li><li>• Service Complaints</li></ul>
Out-bound telemarketing (out)	Tele-sales	<ul style="list-style-type: none"><li>• Arrange meetings for the seller</li><li>• Reaching new customers</li><li>• Update business database</li><li>• Support Marketing Communications</li><li>• Support business tourism</li><li>• Tele-factoring</li></ul>

- An inventory of goods, visually presented to the customer.
- A printed catalogue is today gradually being replaced by electronic form, whether stored on removable media or distributed via the Internet.
- Advances in technology give marketers the opportunity to experiment and make their catalogs interactive, animated, with music, etc.



- Use of electronic devices - web, mobile, marketing position – i.e. GPS or car-navigation, online TV and radio, etc.
- E-marketing is trying to:
  - predict the behavior and perceptions,
  - suggest the most effective methods,
  - persuade to purchase or other required action.

- One of the direct marketing methods.
- Mobile, Anytime, Globally, Integrated and Customized (MAGIC).
- Set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network.



# Mobile marketing tools

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- Advergaming
  - Cell Broadcasting
  - Location-based marketing
  - Logos, pictures, and ringtones
  - Two-way SMS communication
  - SMS advertising
  - Advertising MMS
  - SMS competitions, voting, polls
  - Special graphic codes
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# 3 Geomarketing

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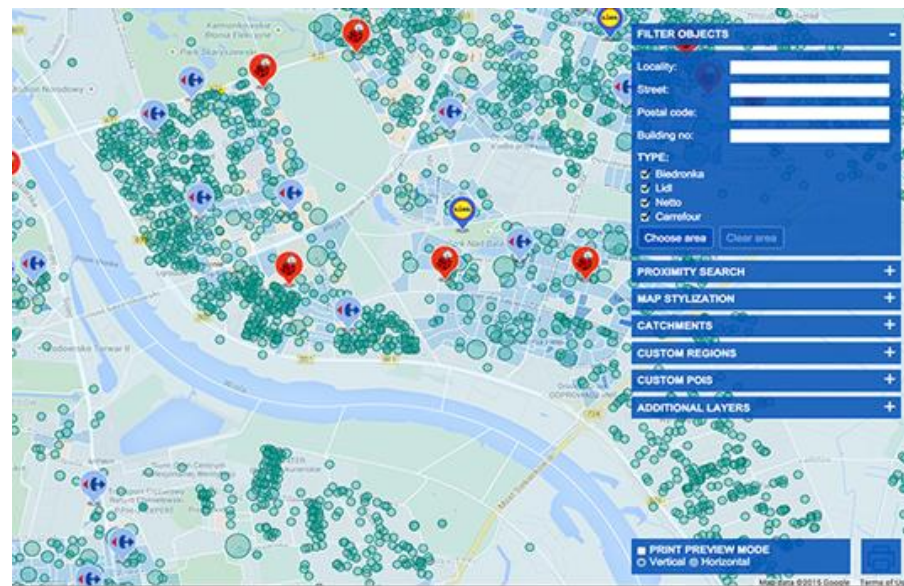
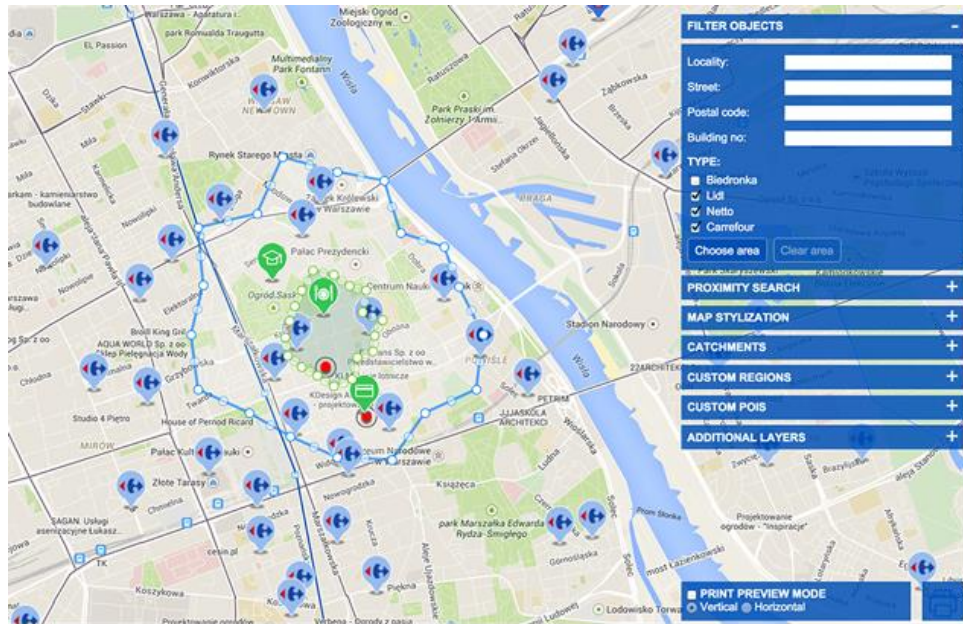


- The modern trend in direct marketing.
- A field that processes the results of customer surveys in the form of geographic maps.
- The basic principle – focusing on customers, who are most likely to hear the advertising messages, i.e. search for regions or specific customers who will be included in the ad campaign.
- For companies, where spatial information about residents, customers, investments or local sales has an impact on business development.

# Geomarketing



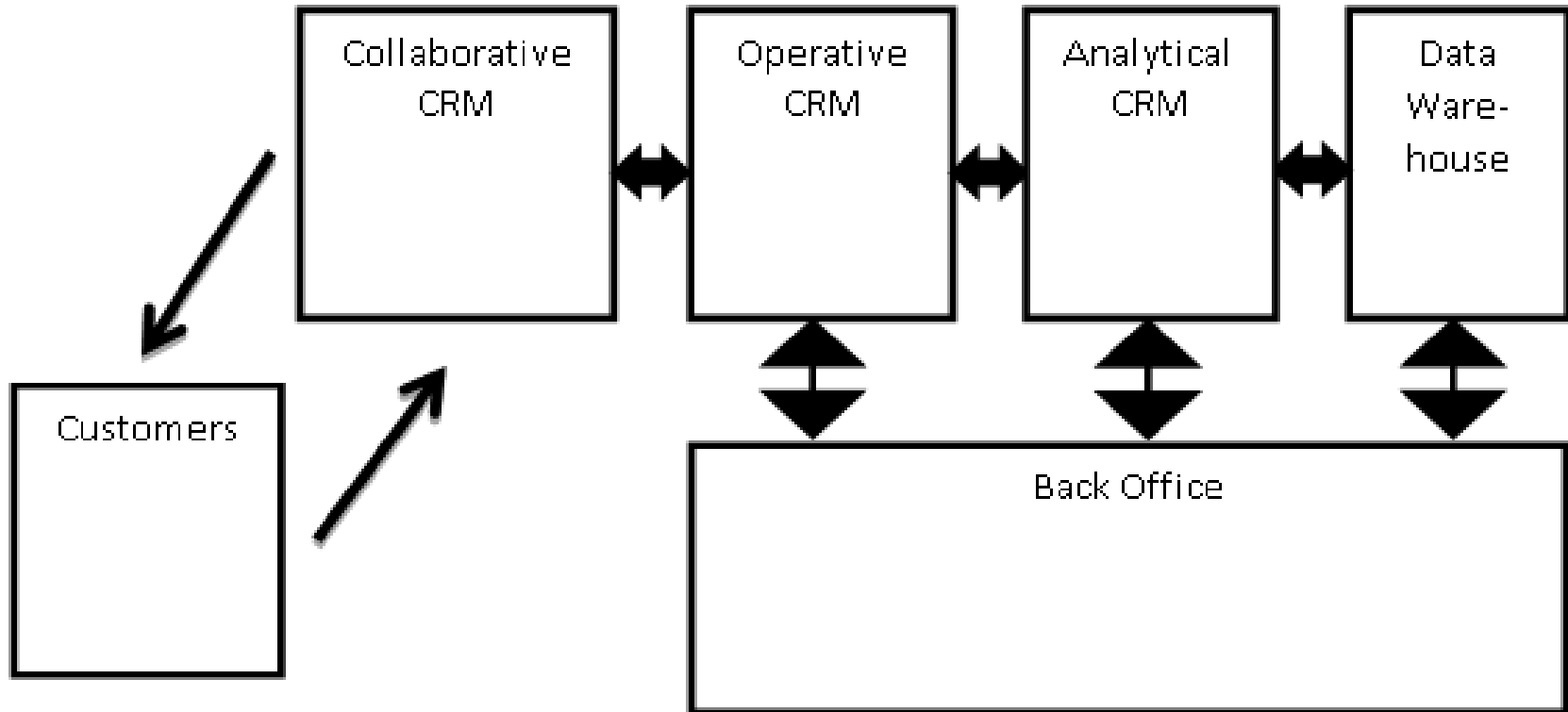
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- Process of gathering, processing and utilization of information about company's customers, that works on the basis of database technology.
- The outcome is capability to recognize, understand and foresee needs, wishes and purchase habits of customers.
- Huge shift from narrowly specialized utilization and focus on technical aspect to mass utilization in all areas of company management.

# Principles of CRM





**Thank you for your attention! 😊**