DIRECT AND ONLINE MARKETING

(Building Direct Customer Relationships)

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ABSTRACT: In this paper, we examine direct marketing and at its fastest-growing form, online marketing. Actually, direct marketing can be viewed as more than just a communications tool. In many ways it constitutes an overall marketing approach—a blend of communication and distribution channels all rolled into one. As we read this paper, remember that although direct marketing is presented as a separate tool, it must be carefully integrated with the other elements of the promotion mix. For starters, let's look at Amazon.com. In only about 15 years, Amazon has blossomed from an obscure dot-com upstart into one of the best-known names on the Internet. According to one estimate, 52 percent of people who shop on the Internet start at Amazon. How has it become such an incredibly successful direct and online marketer? It's all about creating direct, personal, and satisfying online customer experiences. Few direct marketers do that as well as Amazon.com.

KEYWORDS: Direct marketing, Direct-Mail Marketing, Catalog marketing, Telephone marketing, Kiosk Marketing, Blogs.

INTRODUCTION

Today, however, with the trend toward narrower targeting and the surge in digital technology, many companies are adopting direct marketing, either as a primary marketing approach, as in Amazon's case, or as a supplement to other approaches. In this section, we explore the exploding world of direct marketing. Direct marketing consists of connecting directly with carefully targeted consumers, often on a one-to-one, interactive basis. Using detailed databases, companies tailor their marketing offers and communications to the needs of narrowly defined segments or individual buyers. Beyond brand and relationship building, direct marketers usually seek a direct, immediate, and measurable consumer response. For example, as we learned in the opening story, Amazon interacts directly with customers on its Web site to help them discover and buy almost anything and everything on the Internet.

1 FORMS OF DIRECT MARKETING

Direct marketing is rich in tools, from traditional old favorites such as direct mail, catalogs, and telemarketing to the Internet and other new digital approaches. The major forms of direct marketing include direct-mail marketing, catalog marketing, telephone marketing, direct-response television (DRTV) marketing, kiosk marketing, new digital direct marketing technologies, and online marketing. Here, we examine the main forms of direct marketing.

1.1 Direct-Mail Marketing

Direct-mail marketing involves sending an offer, announcement, reminder, or other item to a person at a particular physical or virtual address. Direct mail is well suited to direct, one-to-one communication. It permits high target market selectivity, can be personalized, is flexible, and allows the easy measurement of results. Direct mail has proved successful in promoting all kinds of products, from books, DVDs, insurance, gift items, gourmet foods, clothing, and other consumer goods to industrial products of all kinds.

1.2 Catalog marketing

Direct marketing through print, video, or digital catalogs that are mailed to select customers, made available in stores, or presented online. With the stampede to the Internet, more and more catalogs are going digital. A variety of Web-only catalogers have emerged, and most print catalogers have added Web-based catalogs to their marketing mixes. Web-based catalogs eliminate printing and mailing costs. And whereas space is limited in a print catalog, online catalogs can offer an almost unlimited amount of merchandise. Finally, online catalogs allow real-time merchandising; products and features can be added or removed as needed, and prices can be adjusted instantly to match demand.

1.3 Telephone Marketing

Telephone marketing involves using the telephone to sell directly to consumers and business customers. Last year, telephone marketing accounted for more than 19 percent of all direct marketing-driven sales. We're all familiar with telephone marketing directed toward consumers, but B-to-B marketers also use telephone marketing extensively, accounting for more than 55 percent of all telephone marketing sales.13 Marketers use outbound telephone marketing to sell directly to consumers and businesses. They use inbound toll-free numbers to receive orders from television and print ads, direct mail, or catalogs.

1.4 Direct-Response Television Marketing

Direct marketing via television, including direct-response television advertising (or infomercials) and home shopping channels. Direct marketers air television spots, often 60 or 120 seconds in length, which persuasively describe a product and give customers a toll-free number or a Web site for ordering. Television viewers also often encounter full 30-minute or longer advertising programs, called *infomercials*, for a single product. *Home shopping channels*, another form of DRTV marketing, are television programs or entire channels dedicated to selling goods and services. Some home shopping channels, such as the Quality Value Channel (QVC), Home Shopping Network (HSN), and Shop NBC, broadcast 24 hours a day. Program hosts chat with viewers by phone and offer products ranging from jewelry, lamps, collectible dolls, and clothing to power tools and consumer electronics.

1.5 Kiosk Marketing

As consumers become more and more comfortable with digital and touch-screen technologies, many companies are placing information and ordering machines—called kiosks (good old-fashion vending machines but so much more)—in stores, airports, hotels, college campuses, and other locations. Kiosks are everywhere these days, from self-service hotel and airline check-in devices to in-store ordering devices that let you order merchandise not carried in the store.

1.6 Online Marketing

As noted earlier, online marketing is the fastest-growing form of direct marketing. Widespread use of the Internet is having a dramatic impact on both buyers and the marketers who serve them. Online marketing Efforts to market products and services and build customer relationships over the Internet.

Online Marketing Domains

The four major online marketing domains are show in below. They include business-to-consumer (B-to-C), business-to-business (B-to-B), consumer-to-consumer (C-to-C), and consumer-to-business (C-to-B).

Business-to-consumer (B-to-C) online marketing

Businesses selling goods and services online to final consumers. Today's consumers can buy almost anything online—from clothing, kitchen gadgets, and airline tickets to computers and cars.

Business-to-Business

Although the popular press has given the most attention to B-to-C Web sites, business-to business (B-to-B) online marketing is also flourishing. B-to-B marketers use Web sites, e-mail, online product catalogs, online trading networks, and other online resources to reach new business customers, serve current customers more effectively, and obtain buying efficiencies and better prices. Most major B-to-B marketers now offer product information, customer purchasing, and customer-support services online.

Consumer-to-Consumer

Much consumer to-consumer (C-to-C) online marketing and communication occurs on the Web between interested parties over a wide range of products and subjects. In some cases, the Internet provides an excellent means by which consumers can buy or exchange goods or information directly with one another. For example, eBay, Overstock.com Auctions, and other auction sites offer popular market spaces for displaying and selling almost anything, from art and antiques, coins and stamps, and jewelry to computers and consumer electronics.

Consumer to Business

The final online marketing domain is **consumer-to-business (C-to-B) online marketing**. Thanks to the Internet, today's consumers are finding it easier to communicate with companies. Most companies now invite prospects and customers to send in suggestions and questions via company Web sites. Beyond this, rather than waiting for an invitation, consumers can search out sellers on the Web, learn about their offers, initiate purchases, and give feedback. Using the Web, consumers can even drive transactions with businesses, rather than the other way around. For example, using Priceline.com, would-be buyers can bid for airline tickets, hotel rooms, rental cars, cruises, and vacation packages, leaving the sellers to decide whether to accept their offers.

CONCLUSION

Direct marketing consists of direct connections with carefully targeted segments or individual consumers. Beyond brand and relationship building, direct marketers usually seek a direct, immediate, and measurable consumer response. For buyers, direct marketing is convenient, easy to use, and private. It gives buyers ready access to a wealth of products and information, at home and around the globe. Direct marketing is also immediate and interactive, allowing buyers to create exactly the configuration of information, products, or services they desire

and then order them on the spot. For sellers, direct marketing is a powerful tool for building customer relationships. Direct-mail marketing, the largest form of direct marketing, consists of the company sending an offer, announcement, reminder, or other item to a person at a specific address. Recently, new forms of mail delivery have become popular, such as e-mail and mobile marketing. Some marketers rely on catalog marketing—selling through catalogs mailed to a select list of customers, made available in stores, or accessed on the Web. Telephone marketing consists of using the telephone to sell directly to consumers. DRTV marketing has two forms: direct-response advertising (or infomercials) and home shopping channels. Kiosks are information and ordering machines that direct marketers place in stores, airports, hotels, and other locations. In recent years, a number of new digital direct marketing technologies have emerged, including mobile marketing, podcasts and vodcasts, and interactive TV. Online marketing involves online channels that digitally link sellers with consumers.

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