PRINCIPLES OF Marketing

Chapter Seventeen

Direct and Online Marketing: Building Direct Customer Relationships

Direct and Online Marketing: Building Direct Customer Relationships

Topic Outline

- The New Direct-Marketing Model
- Growth and Benefits of Direct Marketing
- Customer Databases and Direct Marketing
- Forms of Direct Marketing
- Online Marketing
- Public Policy Issues in Direct Marketing

The New Direct Marketing Model

Direct marketing is:

- A marketing channel without intermediaries

- An element of the promotion mix

- Fastest-growing form of marketing

Growth and Benefits of Direct Marketing

Benefits to Buyers

- Convenience

- Ready access to many products

- Access to comparative information about companies, products, and competitors

- Interactive and immediate

Growth and Benefits of Direct Marketing

Benefits to Sellers

- Tool to build customer relationships

- Low-cost, efficient, fast alternative to reach markets

- Flexible

- Access to buyers not reachable through other channels

Customer Databases and Direct Marketing

Customer Database

Customer database is an organized collection of comprehensive data about individual customers or prospects, including geographic, demographic, psychographic, and behavioral data

Forms of Direct Marketing

Personal selling direct marketing

Direct-mail direct marketing

Catalog direct marketing

Telephone marketing

Direct-response television marketing

Kiosk marketing

Digital direct marketing

Online marketing

Forms of Direct Marketing

Direct-mail marketing involves an offer, announcement, reminder, or other item to a person at a particular address

- Personalized

- Easy-to-measure results

- Costs more than mass media

- Provides better results than mass media

Forms of Direct Marketing

Catalog direct marketing involves printed and Web-based catalogs

Benefits of Web-based catalogs	Challenges of Web-based catalogs
• **Lower cost than printed catalogs** • **Unlimited amount of merchandise** • **Real-time merchandising** • **Interactive content** • **Promotional features**	• **Require marketing** • **Difficulties in attracting new customers**

Forms of Direct Marketing

Telephone direct marketing involves using the telephone to sell directly to consumers and business customers

- Outbound telephone marketing sells directly to consumers and businesses
- Inbound telephone marketing uses toll-free numbers to receive orders from television and print ads, direct mail, and catalogs

Forms of Direct Marketing

Direct-response television

Direct-response television (DRTV) marketing involves 60- to 20-second advertisements that describe products or give customers a toll-free number or Web site to purchase and 30-minute infomercials such as home shopping channels
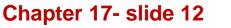
- Less expensive than other forms of promotion and easier to track results

Forms of Direct Marketing

- Kiosk marketing
- Digital direct marketing technologies
  - Mobile phone marketing
  - Podcasts
  - Vodcasts
  - Interactive TV

Forms of Direct Marketing

- Mobile phone marketing includes:

- Ring-tone giveaways

- Mobile games

- Ad-supported content

- Contests and sweepstakes

Forms of Direct Marketing

Podcasts and vodcast involve the downloading of audio and video files via the Internet to a handheld device such as a PDA or iPod and listening to them at the consumer's convenience

Interactive TV (ITV) lets viewers interact with television programming and advertising using their remote controls and provides marketers with an interactive and involving means to reach targeted audiences

Online Marketing

Marketing and the Internet

Internet is a vast public Web of computer networks that connects users of all types around the world to each other and to a large information repository
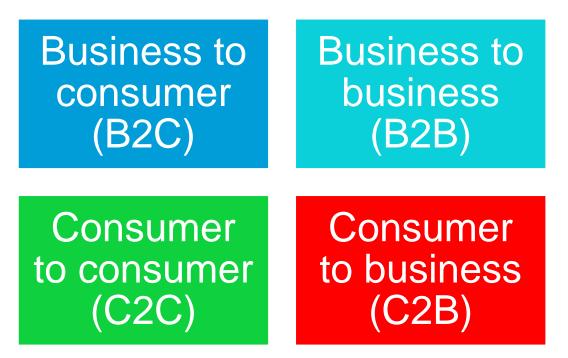
Online Marketing

Online Marketing Domains

Business to consumer (B2C)	Business to business (B2B)
Consumer to consumer (C2C)	Consumer to business (C2B)

Online Marketing

Online Marketing Domains

Business to consumer (B2C) involves selling goods and services online to final consumers

Business to business (B2B) involves selling goods and services, providing information online to businesses, and building customer relationships

Online Marketing

Online Marketing Domains

Consumer to consumer (C2C) occurs on the Web between interested parties over a wide range of products and subjects

Blogs

- Offer fresh, original, and inexpensive ways to reach fragmented audiences
- Difficult to control

Online Marketing

Online Marketing Domains

Consumer to business (C2B) involves consumers communicating with companies to send suggestions and questions via company Web sites
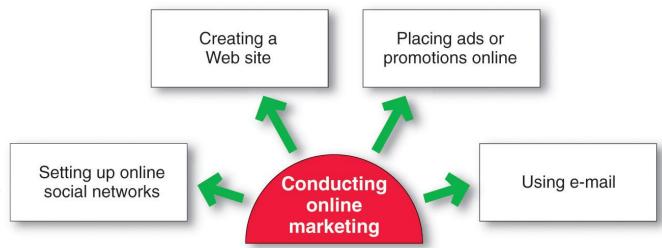
Online Marketing

Setting Up an Online Presence

- Creating a Web site requires designing an attractive site and developing ways to get consumers to visit the site, remain on the site, and return to the site