Direct-Marketing

Direct marketing consists of direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships

- No 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

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

- Lower cost than printed catalogs
- Unlimited amount of merchandise
- Real-time merchandising
- Interactive content
- Promotional features

Challenges of Web-based catalogs

- 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

Benefits of telephone direct marketing

- Purchasing convenience
- Increased product service and information

Challenges of Web-based catalogs

- Unsolicited outbound telephone marketing
- Do-Not-Call Registry

Forms of Direct Marketing

Direct-response television (DRTV) marketing involves 60- to 120-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
- Easier to track results

Forms of Direct Marketing

Kiosk marketing involves placing information and ordering machines in stores, airports, trade shows, and other locations

Forms of Direct 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 Vodcasts 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

Forms of Direct Marketing

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 a fresh, original, and inexpensive way 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

Types of Online Marketers

- Click-only marketers
- Click-and-mortar marketers

Online Marketing

Types of Online Marketers

Click-only marketers operate only online without any brick and mortar presence

- E-tailers
- Search engines and portals
- Shopping or price comparison sites
- Internet service providers (ISP)
- Transaction sites
- Content sites

Online Marketing

Types of Online Marketers

E-tailers are dot coms that sell products and services directly to final buyers via the Internet

- Amazon
- Expedia

Search engines and portals are ports of entry to the Internet

- Yahoo!
- Google

Online Marketing

Types of Online Marketers

Internet service providers (ISP) provide Internet connections for a fee

- AOL
- Earthlink

Shopping or price comparison sites provide product and price comparison information

- Yahoo! shopping

Online Marketing

Types of Online Marketers

Transaction sites take commissions for transactions on their sites

- eBay

Content sites provide financial, news, research, and other information

- New York Times.com
- ESPN.com

Online Marketing

Types of Online Marketers

Click-and-mortar companies are brick-and-mortar companies with an online presence

Advantages of click and mortar companies include:

- Known and trusted brand names
- Strong financial resources
- Large customer bases
- Industry knowledge
- Reputation
- Strong supplier relationships
- More options for customers

Global Marketing Today

A global firm is one that, by operating in more than one country, gains marketing, production, R&D, and financial advantages that are not available to purely domestic competitors

The global firms sees the world as one market

Global Marketing Today

Global firms ask a number of basic questions

- What market position should we try to establish in our own country, in our economic region, and globally?
- Who will our global competitors be, and what are their strategies and resources?
- Where should we produce or source our product?
- What strategic alliances should we form with other firms around the world?

Looking at the Global Marketing Environment

The International Trade System

Restrictions on trade between nations include:

- Tariffs
- Quotas
- Exchange controls
- Non-tariff trade barriers

Looking at the Global Marketing Environment

The International Trade System

Tariffs are taxes on certain imported products designed to raise revenue or to protect domestic firms

Quotas are limits on the amount of foreign imports a country will accept in certain product categories to conserve on foreign exchange and protect domestic industry and employment

Looking at the Global Marketing Environment

The International Trade System

Exchange controls are a limit on the amount of foreign exchange and the exchange rate against other currencies

Nontariff trade barriers are biases against bids or restrictive product standards that go against country's product features

Looking at the Global Marketing Environment

The International Trade System

The World Trade Organization and GATT

The General Agreement on Tariffs and Trade (GATT) is a 59-year-old treaty designed to promote world trade by reducing tariffs and other international trade barriers

- Uruguay Round reduced merchandise tariffs by 30 percent and set up the World Trade Organization to enforce GATT rules

Looking at the Global Marketing Environment

The International Trade System

The World Trade Organization and GATT

World Trade Organization

- Enforces GATT rules
- Mediates disputes
- Imposes trade sanctions

Looking at the Global Marketing Environment

The International Trade System

Regional Free Trade Zones

Economic communities are free trade zones created by nations to work toward common goals in the regulation of international trade

- European Union (EU)
- North American Free Trade Agreement (NAFTA)
- Caribbean Free Trade Agreement (CAFTA)
- South American Community of Nations (CSN)

Looking at the Global Marketing Environment

Economic Environment

Economic factors reflect a country's attractiveness as a market

- Industrial structure
- Income distribution

Looking at the Global Marketing Environment

Political-Legal Environment

- Country's attitude toward international buying
- Government bureaucracy
- Political stability
- Monetary regulations

Looking at the Global Marketing Environment

Cultural Environment

Impact of Culture on Marketing Strategy

- Business norms
- Cultural preferences, traditions, and behaviors

Deciding Whether to Go Global

Factors to consider

- Global competition in the home market
- Stagnant or shrinking home market
- Foreign markets with more opportunity
- Expansion of customers to international markets

Deciding Which Markets to Enter

Define international marketing objectives and policies

- Foreign sales volume
- How many countries to market to
- Types of countries to market to based on:
  - Geography
  - Income and population
  - Political climate

Deciding Which Markets to Enter

Rank potential global markets based on:

- Market size
- Market growth
- Cost of doing business
- Competitive advantage
- Risk level

Deciding How to Enter the Market

Ways to enter global markets include:

- Exporting
- Joint venturing
- Direct investment

Deciding How to Enter the Market

Exporting is when the company produces its goods in the home country and sells them in a foreign market. It is the simplest means involving the least change in the company's product lines, organization, investments, or mission.

- Indirect exporting
- Direct exporting

Deciding How to Enter the Market

Joint venturing is when a firm joins with foreign companies to produce or market products or services

- Licensing
- Contract manufacturing
- Management contracting
- Joint ownership

Joint venturing differs from exporting in that the company joins with a host country partner to sell or market abroad

Deciding How to Enter the Market

Direct investment is the development of foreign-based assembly or manufacturing facilities and offers a number of advantages:

Lower costs

- Raw material
- Labor
- Government incentives
- Logistics
- Control