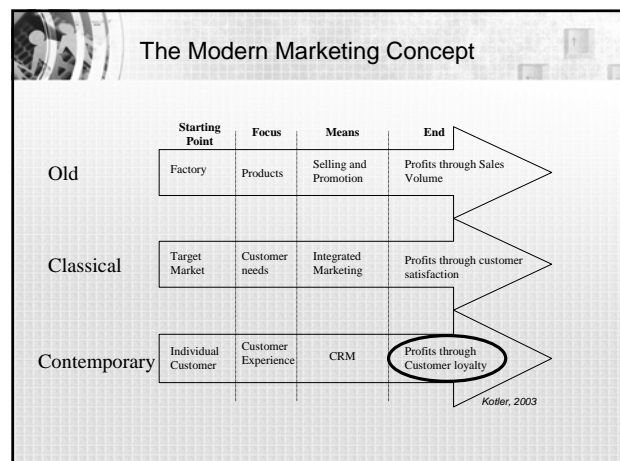
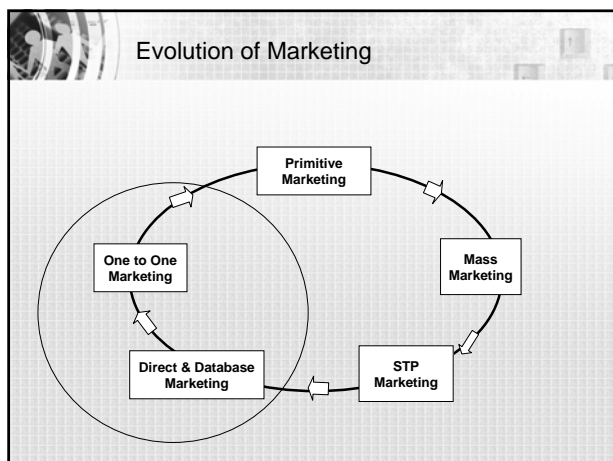




Aims

- To understand the history behind its development
- To consider the definitions of Direct Marketing
- To examine the objectives of Direct Marketing
- To understand the importance of targeting (Pareto's Principal)
- To examine the four features of the Direct Marketing Mix
- The understand the Direct Marketing database
- To explore the types of media used for Direct Marketing
- To consider examples of Direct Marketing
- Summary



Development & Growth of DM

- **Development**
 - Direct Mail: Freeman's Catalogue launched 1905
 - Large growth 1950 to 1970
 - Problems in early 1980s due to recession
 - Late 1980s renewal
 - Direct Marketing: Early 1990s Heinz Campaign
 - 1996 UK DM expenditure £5.5 Billion
- **Growth**
 - Movements in Technology
 - Declining Effectiveness of Traditional Media
 - Changes in Market Information
 - Need for Better Targeting

UK Spending through DM

- Total spending £27bn in 2004-05
 - 2.3% increase over 2003
- 30-45 years old spend the most
- Average consumer spending £590
- Clothes account 41% of the market
- Travel saw the highest rise (260%) with 3.3bn turnover
- DIY products up by (162%) with 0.5bn turnover
- 73% of all UK consumer buying through DM live in Northern region of UK

DM Bulletin, Marketing Direct, 31st Dec 2004 and 2007

Definitions of DM

- 'Direct marketing is a method of distribution in which transactions are completed between buyer and seller without the intervention of a salesperson or retail outlet'
- 'any advertising which creates and exploits a direct relationship between you and your prospect or customer as an individual'

Stan Rapp

Drayton Bird

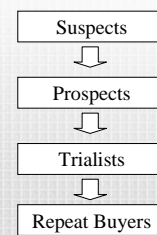
A Different Approach

- Mass Marketing
- Market Segmentation
- Direct Marketing
- Integrated Direct Marketing

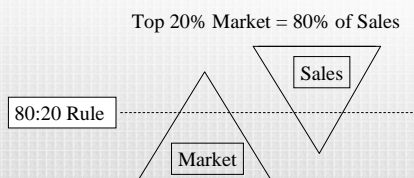
Objectives of Direct Marketing

- Generating repeat purchase
- Introduction of a new product
- A platform for cross selling
- Provision of a new distribution channel
- Targeting minority markets
- Establishing loyalty
- Identification of prime prospects

Precision Targeting



Pareto's Principal

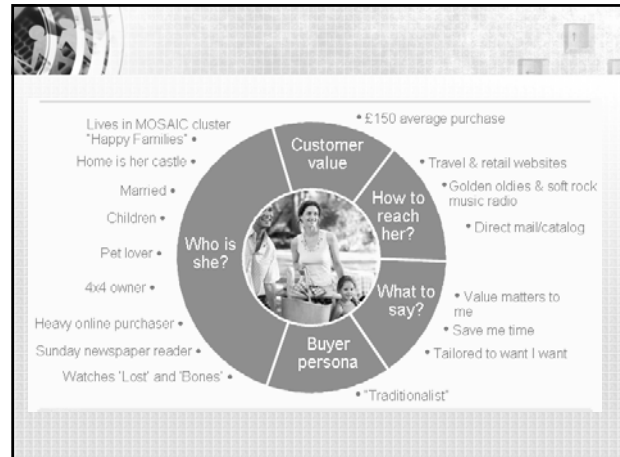
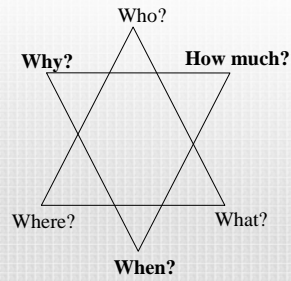


The 4 Features of Direct Marketing

- Targeting
 - Enables precision targeting
- Interaction
 - Generates direct enquiries and orders from prospects and customers
- Control
 - Accountable since direct enquiries and orders are easily measurable
- Continuity
 - Develops the seller-buyer relationship and ultimately results in customer loyalty

The Importance of the Database

- Who?
- What?
- Where?
- How much?
- When?
- Why?



The Use of Media

- Direct Mail
- Door-to-door Drops
- Newspapers
- Magazines
- The Broadcast Media
- The Telephone
- Posters

Examples of Direct Mail

- Direct Mailing
- Direct Marketing (No middle men)
- Direct Response Press Ads
- Websites
- Charity Appeals
- Catalogues
- Some Credit Cards
- Store Chargecards
- Loyalty Cards