

HOW ONLINE MEDIUMS HAVE CHANGED DIRECT MARKETING?

by

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Abstract

Marketing is one of the most important department in a company for the simple reason that it is this department which is going to sell the product or service produced. In order to achieve the targets, the marketing should be done in the best way possible. That is why the companies try to keep up-to-date with the latest marketing strategies in order to compete in the market. One of the most powerful forms is Direct Marketing. This kind of marketing is more traditional-oriented, as mostly consists of face to face marketing and approaching every customer individually. But in order to be more effective on the market, the strategies of direct marketing should be updated with the time. As we now live in the information technology age, the companies should adapt the direct marketing strategies with the latest technologies used. That is why all these online mediums are changing the theories regarding direct marketing, a topic which is going to be discussed in this dissertation. Including the online possibilities offered nowadays, direct marketing can reach the targeted customers more easily and more efficiently.

The aim of this study is to analyze how all these online mediums have affected direct marketing which is widely used by the marketers of the company. The thesis starts by describing direct marketing, its forms and features. The concept of e-marketing and its big importance in the market is explained later. All this digitalization has impacted everything in our daily lives. We can see that also direct marketing is affected by this phenomena. How the market has changed with technology involved is going to be studied in this dissertation paper. There are going to be shown the differences that the direct marketers are facing and what they need to do in order to be competitive in the market. In the end there will be a conclusion of how all these changes have effected direct marketing and what has changed since the digitalization age came in.

Keywords: Direct Marketing, Digitalization, Market, Customers, Marketers, Technology

Abstrakt

Marketingu eshte nje nga departamentet me te rendesishem ne nje kompani per arsyen e thjeshte se eshte ky department i cili shet produktin apo sherbimin e prodhuar. Per te arritur objektivat, marketingu duhet te behet ne menyren me te mire te mundshme. Kjo eshte arsyja pse kompanite perpiqen per te qene te perditesuar me strategjite e marketingut me te fundit ne menyre qe te konkurrojne ne treg. Nje nga format me te fuqishme eshte Marketingu Direkt. Ky lloj marketingu me orientim tradicional, qe kryesisht perbehet nga marketingu i drejtperdrejte dhe i afrohet cdo klienti individualisht. Por ne menyre qe te jete me efektiv ne treg, strategjite e marketingut te drejtperdrejte duhen perditesuar me kohen. Tani ne jetojme ne moshen e teknologjise se informacionit, kompanite duhet te pershtatin strategjite e marketingut te drejtperdrejte me teknologjite e fundit te perdonura. Kjo eshte arsyja pse te gjitha keto mediume ne internet po ndryshojne teorite ne lidhje me marketingun e drejtperdrejte, nje teme e cila do te diskutohet ne kete teze. Duke perfshire mundesite e ofruara ne internet ne ditet e sotme, marketingu i drejtperdrejte mund te arrije klientet e shenjestruar me lehte dhe ne menyre me efikase.

Qellimi i ketij studimi eshte te analizoje se si te gjitha keto mediume ne internet kane ndikuar ne marketingun e drejtperdrejte, i cili eshte perdonur gjeresisht nga marketeret e kompanise. Teza fillon me nje pershkrim te marketingut te drejtperdrejte, format dhe karakteristikat e tij. Koncepti i e-marketingut dhe rendesia e tij e madhe ne treg do shpjegohet me vone. Gjithe ky dixhitalizim ka ndikuar ne cdo gje ne jeten tone te perditshme. Ne mund te shohim se marketingu i drejtperdrejte eshte i prekur nga kjo dukuri. Si tregu ka ndryshuar me teknologjite e perfshira do te studiohet ne kete teze. Do te shfaqen dallimet qe marketeret direkt po ballafaqojne dhe ate qe duhet te bejne ne menyre qe te jene konkurruese ne treg. Ne fund do te kete nje perfundim se si te gjitha keto ndryshime kane ndikuar ne marketingun e drejtperdrejte dhe cfare ka ndryshuar qe kur mosha e dixhitalizimit erdhi.

Fjalet Kyce: Marketingu Direkt, Dixhitalizimi, Tregu, Klientet, Marketeret, Teknologjia

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Declaration Statement

1. The material included in this thesis has not been submitted wholly or in part for any academic award or qualification other than that for which it is now submitted.
2. The program of advanced study of which this thesis is part has consisted of:
 - i) Research Methods course during the undergraduate study
 - ii) Examination of several thesis guides of particular universities both in Albania and abroad as well as a professional book on this subject.

Amar Maxhiri

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Introduction

The term marketing and each and more time we encounter in everyday life ranging from Mediums for communication with the public profile meetings and business negotiations, in various speeches, up to social conversations of ordinary people. Often, the term marketing is not used adequately in everyday communication as there are created misunderstandings and terminological confusion which mean just any real marketing dimension.

If in any social environment, we ask someone what is marketing and what understands with marketing, the answer might be that deals with selling or advertising. Such response actually contains something closer to the truth, but is inadequate, from that in reality marketing is much more dimensional sense than its sale or publicity.

In literature, there are a number of definitions of marketing which are not different to the basic content, but they differ in terms of coverage and explanation detailed in any marketing element. The fact that the meaning and form of marketing is contemporary been reported in the United States, there is no mistake, if from many definitions, we accept the definition of the American Marketing Association according to which:

“Marketing is the process of planning and implementation of price concepts, promotion and distribution of ideas, goods and services in order to swap creation that meets the needs of individuals and organizations” (Association, 1985).

In order to understand better what marketing is, we should have a look at the marketing definition from Philip Kotler, who says:

“Marketing is a social process and management through which individuals and groups benefit from it in what they need and what they want through the creation, delivery and exchange of products available to others” (Kotler, 1991).

Marketing starts its activities in the market and conclude on the market. Initial marketing activities are related to market research, identifying the competition and finding customers. Using relevant information decisions: what to produce, at what cost, for which market and for which time? The decisions cannot be taken randomly, but everything should come out after making the research properly for the relevant customers. If the work will be done without these data, the company would go bankrupt really fast because it has not clear about what are the market demands and how the customers and competition operates. Through information the

supply preparations are stable, in the benefit of the customers but also in the service execution of enterprise objectives.

If the customer would be satisfied with what they bought, they will not forget to buy types of the same or similar products or services from the created pleasure, obedience and trust. It is not important for the customer to buy just once, but for the company is useful to be a regular and loyal customer for a longer time. For this purpose, experts, marketing specialists or businessmen follow the demand situation in the market to be able to make the necessary changes and imposed on the quality and enhancement of supply. They use different marketing strategies to achieve the targets, while one of the most important strategies is Direct Marketing.

Chapter 1

1. Direct Marketing

Direct Marketing is a very popular and widely used method of informing people of products and services. It gives the company the possibility of contacting customers personally, rather than being more general, such as magazine advertisements or billboards on the streets. It can take different forms like mails, phone calls, brochures and coupons.

As Kotler says, Direct Marketing consists of direct one-to-one connections with carefully targeted individual consumers to both obtain an intermediate response and cultivate lasting customer relationships (Kotler, 1991).

There are other authors like Dibb and Simkin which say that Direct Marketing is a decision by a company's marketers to select a marketing channel that avoids dependence on marketing channel intermediaries, and to focus marketing communications activity on promotional mix ingredients that contact directly targeted customers (Dibb & Simkin, 2000).

Moschis, Korgangar and Mathur argued that direct marketing does not include other forms of non-store retailing, such as door-to-door sales and vending machines (Moschis, Korkaongar, & Mathur, 1992). Then we have also Ogilvy who defines direct marketing as an advertising activity which creates a strong relation between the supplier and the customer.

As we see, there are different opinions on direct marketing, which make this term broader, but Katzenstein and Sachs has defined direct marketing summarized in four points:

- A combination of advertising and selling into a single function
- A prominent service concept that will affect repetitive buying
- A strong trend toward specificity
- An existence of built-in feedback mechanisms (Katzenstein & Sachs, 1986).

1.1 The evolution of Direct Marketing

Everything started back at the fifteenth century where catalogues were distributed among people. Catalogues with wine and furniture used to be distributed, even though there was a small number of people who could read. So in this way there were targeted customers (people who could read). It was a type of direct marketing, but at that time, this term was not popular. In 1872, Aaron Montgomery Ward first introduced direct marketing by distributing the first modern mail-order catalogue in the US. This way of distributing catalogues served as a best way in the rural areas in

US. In 1938 the retail expenditure was four percent and was sold by mail order business or other direct marketing methods. In 1970 the catalogue selling had a boom. It became more popular and people started to increase their demand for these catalogues. In this way the sellers increased their supply and also created a mailing list in order to increase the sales of the products and the services in an efficient way.

Back at that time direct marketing was more seller focused, which nowadays is called traditional direct marketing. At present the direct marketing is customer-focused, which is seen the most appropriate tool to attract the buyers, turn them into potential customers and keep them loyal to the company. In order to be customer focused direct marketing, the strategy should consist of making research about the customers and the most important understanding their needs.

1.2 Direct Marketing Databases

In order to have an efficient direct marketing campaign, there should be fully qualified databases with leads which should be transformed into potential customers. For every customer should be the right information about his or her needs. In a database there are usually two types of information, past and predictive data. Past data it is all the historical data the company has saved during the transactions and customer purchases. It contains the personal information about the customers and what they have purchased in the past. Predictive data is the data processed by the company through statistical methodology. Based on statistics of the past, the company processes the future, by predicting which customers are going to purchase the product. But predictive data needs a very developed computer technology to analyze the customers. Therefore companies invest a huge part of their capital on this technology.

It depends from companies and the type of industry the company is part of, the value invested in these databases. For example the companies in the manufacturing industry spend very less on this technology, as it not very useful for them. While the retail sector has the biggest spending on databases, as they need to identify every customer.

Depending on a survey done from Marketing Business in 1993, we have these results of which departments use marketing databases mostly:

Purposes	Utilisation (per cent)
Marketing research	35
Direct marketing - existing	34
Market planning	32
Direct marketing - prospect	16
Customer care	19
Media analysis	16
Competitor activity	15
Product measurement	15
Incoming tele call	14
Outgoing tele call	14
New product development	12
Site location	12

Figure 1.1The departments which use marketing databases the most Source: (Business, 1993)

Before deciding if we need to build a direct marketing campaign, we need to check three different concepts:

- We should be ensured if the direct marketing is the appropriate method for the product or service that we are going to promote
- We must determine if the revenue generated from this campaign will justify the expenses done for the campaign
- We should make this direct marketing campaign as one of the points of the full marketing process

It begins when the company starts making research about its customers and about what its customers like. It starts building its own database filled with people's names, possibly addresses,

phone numbers and email addresses. After all, the company decides which direct marketing type fits better its product or service in order to give the perfect message to its customers.

1.3 Types of direct marketing

- Text message

For a specific product or service, text messages can be the perfect way to deliver the message to the targeted customers. After creating the database with the customer phone numbers, the company delivers to each of the target customers a text message which includes the relevant information about the promotion.

- Direct Mail

Companies use postal mail to deliver the message to the targeted customers. It can be in different forms like magazines, catalogs, fliers, brochures, etc.

- Catalogs and flyers

The postal mail is used to deliver these objects to the customers.

- Telemarketing

The company calls a very large range of people to offer the product or the service through the phone. Usually is used for services which can be delivered immediately to the customers or products that the customer can choose to be delivered to him/her by postal mail. Usually it is outbound where the call agent calls the customers, but it can be also inbound where the customers call to toll free numbers to purchase the products.

- E-mail

The most used method of direct marketing. Different companies send a bulk of e-mails to the targeted customers, in order to deliver the message. As we live in the age of technology, every customer reads his/her e-mails, so usually this direct marketing type is seen as most effective regarding also its costs which in this case are minimal.

- Door to door

This kind of direct marketing is conducted by the salesperson who goes to different doors in order to sell the products which require the word of mouth. The salesperson is specialized for that kind of product or service. This kind of products usually require to be sold at the moment that the salesperson arrives at home or at office and introduces them.

- Vendor Machines

Vendor machines are convenient for both parties, the seller and the buyer. Usually the products offered in the vendor machine, are products which the customers need immediately like soft drinks, chocolate bars, handkerchiefs, etc.

1.4 Direct Marketing Strategy

In order to build a strong direct marketing strategy the marketers need to know the customer very well. As we know, direct marketing is at the external part of the company, on its customers. "Marketing strategy comprises the broad principles by which marketing management expects to achieve its business and marketing objectives in a target market. It consists of basic decisions on marketing expenditures, the marketing mix, and marketing allocation" (Kotler, 1991). Segmentation and positioning are the most important characteristics of direct marketing (Biggadike, 1986). They help the marketers to identify the interested customers and turn them into potential and then loyal customers. By applying direct marketing strategy, marketers' get a high response rate and a large impact over the group of customers.

1.5 Direct Marketing Components

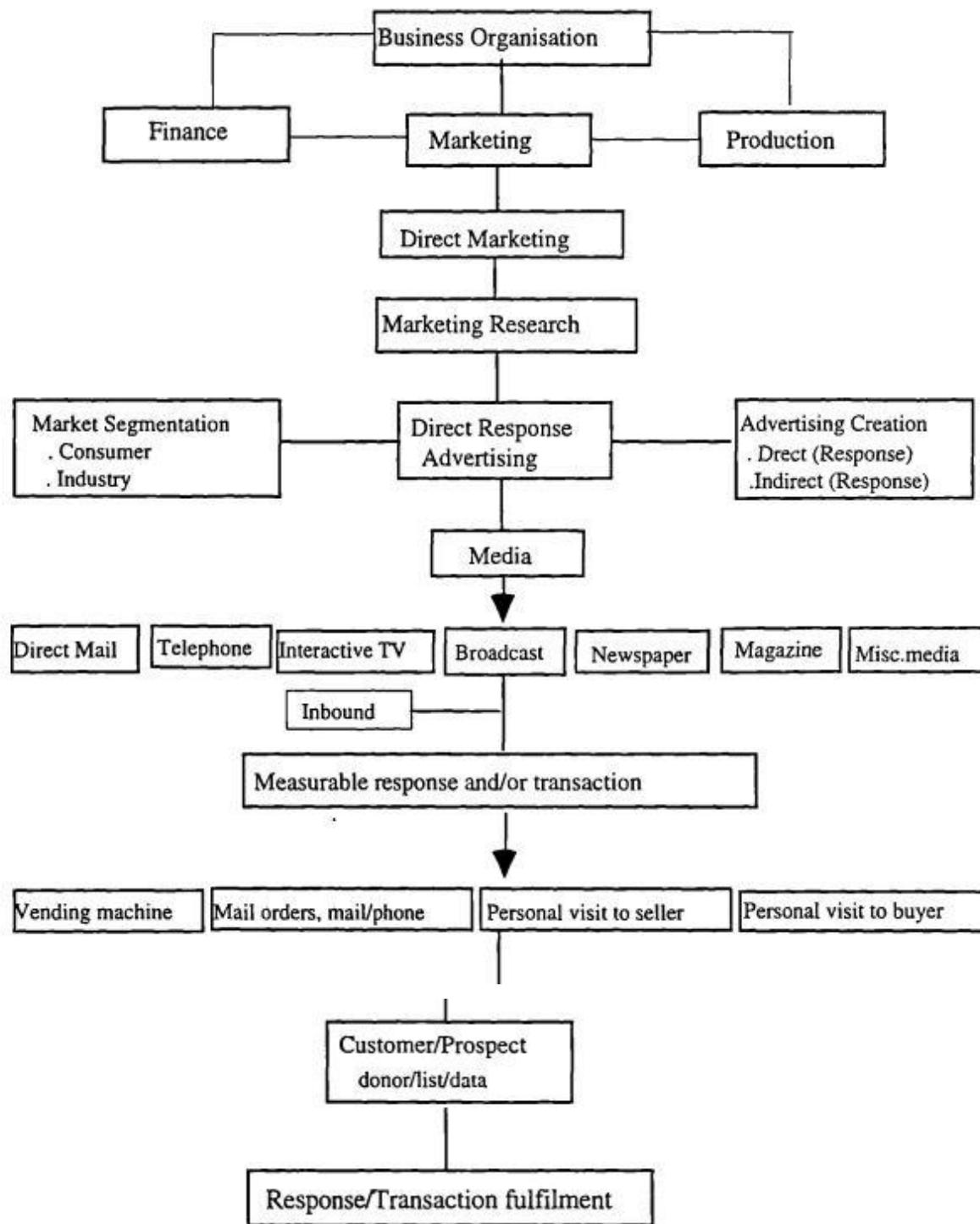


Figure 1.2 Direct Marketing Components Source: (Marketing, 1990)

1.6 Direct Marketing Elements

- Offers that include the product or service
- Creativity
- A medium which include lists
- The time
- Customer Service (Roberts & Berger, 1989).

Like the four Ps of marketing, also the direct marketing elements have a strong impact on the strategic plan of the marketers. In order to complete an effective strategic plan these element must be conducted in an efficient way. It is easily measurable from the customer response. As said above in direct marketing the customer response is very high and this helps the company understand if the elements are applied in the right and efficient way.

1.6.1 The importance of the direct marketing elements

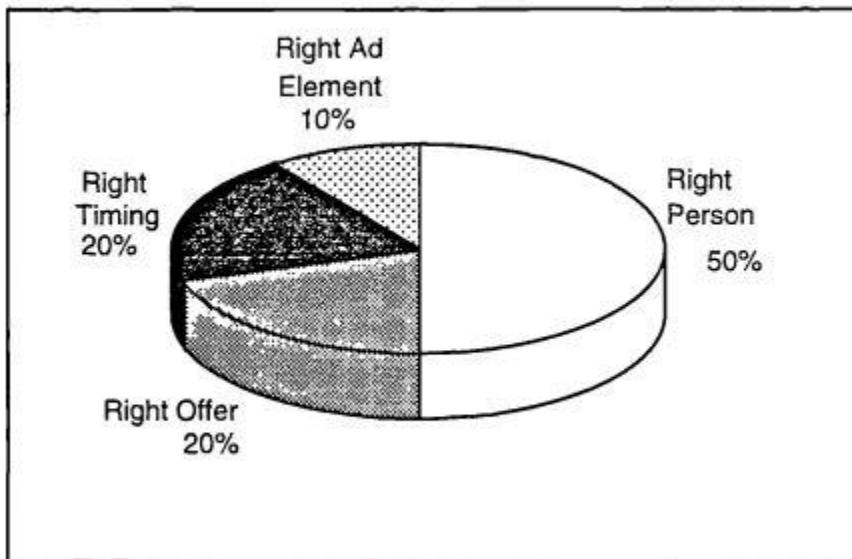


Figure 1.3 The importance of the direct marketing elements Source: (Roberts & Berger, 1989)

1.7 The Driving Forces of Direct Marketing

- Market Fragmentation: This is the driving force which differentiates direct marketing from other strategies. Different individuals have different demands. So, what the market fragmentation does, is simply differentiating the customers, and gives the right service or product to the right people.
- Social Factors: If we compare our past with the present, we can see that now we have less free time available. We see that we are more busy than we used to be years ago. Because of this, the direct marketing approach is seen as more appropriate for the customers as it saves much time.
- Technological development: Technological advances have made everything much more easily to use and get the information we need. Regarding direct marketing, it has helped the companies to use the fax, phones, and computers to build customer databases and other facilities.
- Hybrid Marketing Systems: This system deals with the addition of new marketing channels to the existing ones, mixing together and in this way creating a new system which would fit better to customer needs.
- Cost effective communications: Every company is looking to minimize the costs. In this way also in direct marketing, the companies need to communicate with the customer in a very cost effective way to minimize expenses.
- Popularity of credit cards: As the credit cards are becoming more and more popular, it saves much time to both the buyer and the seller. In this way, we have a very large convenience from both parties to operate with credit cards.
- Data availability: Even if there are laws which protect the customer from the data usage, again companies find the customer data and use it for business purposes. As there is available data in the market for customers, the companies use this availability and profit.

Direct Marketing is an advertising campaign which is conducted in a more direct and straightforward method, for a more targeted group of customers. There are different ways companies use to conduct a direct marketing campaign, like telemarketing, direct e-mail

marketing, leaflets, newspapers, etc. It allows businesses to communicate to customers in a more direct way. As technology is moving forward.

Advantages of Direct Marketing:

- Its measurable
- Its highly targetable
- Its personal
- The offer can easily adapt to the customers
- It can be tested

The 5 most important things in Direct Marketing:

- Targeting
- Offer
- Format
- Creative
- Timing (Graw, 2009).

1.8 The Features of Direct Marketing

- **Concentration on a focused group**

Concentrating on a focused group, makes direct marketing be more selective and have a stronger impact on the customers. In this way, the response rate is higher as the targeted customers are supposed to be interested in the product or service.

- **Selectivity of target audience**

As told above targeting the audience is very productive as with a less amount of budget, we target just the customers who we expect to be potential and we have a large probability to get a high and positive response rate.

- **Sales Promotion**

Sales Promotion can also be called as a direct marketing strategy. For a new product or service coming up the targeted customers are informed in order for them to take advantage.

- **Customer loyalty and retention**

Every company must have a customer database which would serve them to keep a long term relationship with their clients. The most difficult part is keeping the existing customers rather than creating new ones.

- **Interactive process**

It is a term that is lately used, as it is very necessary to keep the relationship with the customer. In the interactive process there is the continuous communication of the seller with the buyer, where complaints, terms of refund and guarantees are included.

1.9 Advantages and Disadvantages of Direct Marketing

Advantages

Some of the reasons why a company should use direct marketing as a strategy are explained below:

- Targeting the customers makes it easier for the company to have an immediate and high response rate.
- As it has a high response rate the company can measure very easily the impact that the strategy has on the market.
- Usually direct marketing is cost effective.
- Direct Marketing treats the customer as an individual. This technique allows the company to have an immediate response from the customer. In this way the customer is more flexible in contacting the company and keeping the relationship.
- There is a possibility to stimulate a test-marketing among a small group of customers. So before starting the real campaign, there can be a measurement of how efficient this campaign is going to be.
- Companies have the possibility to create a database which will help the marketers to keep a long term relationship with the customers.
- Messages are addressed to specific target groups.

- Direct Marketing can handle some of the most important functions in the relationship with the customer like promotional messages, customer care and information (Smith & Murphy, 2012).

Disadvantages

Applying direct marketing strategy has also its negative sides which are described below:

- Not targeting the right customers can be turned into a serious image problem for the company. While performing the campaign via e-mails, many of these e-mails go to the junk box and the company gets a low level image.
- People do not want to receive phone calls in their everyday life with unknown numbers or fake numbers and hear about the promotions as the time for them is very precious (Roberts C. , 2015).
- Customers do not have the time and the pleasure of welcoming the salesperson which is knocking on their door, after having an exhausting day at work.
- Although many people would like to receive direct mails, there is another large number of people who call it a privacy breach.
- If marketers are doing a direct marketing campaign, they should be very careful in the first contact with the customer, as he/she is going to ask from where did the company get his contact details and if the customer gets irritated can go and sue the company.
- The costs are very high for initial customer acquisition. Compared to general advertising, the costs are higher in contacting every customer that is in the database individually. And if the response rate is less than expected because of not targeting in the right way, the company is going to have a financial loss.
- To develop a well-built database requires large costs. So, if the campaign is in a short term it wouldn't be suggested to create a database because it would have large costs and if it in a long term it is worth it because the costs will be covered from the profits.
- Regarding the distribution of the products, usually is not covered directly from the seller, there is a third party taking care of the transportation. Usually is done by postal mail, but this can cause problems which can damage the image of the seller (Chand, 2015).

1.10 Forms of Direct Marketing

- FAB Direct Marketing
- Classic Direct Marketing

FAB Direct Marketing

FAB stands for Features, Advantages and Benefits. It explains the features, what is the advantage and that benefits the customer. Features are facts about the company, advantages are what features can do and benefits gives the answer why the customer should buy that product (Clark, 2012).

We use FAB Direct Marketing approach when there is a new product or an upgrade for a specific product, when it solves major problems, when we are established and we have credibility with the audience.

Classic Direct Marketing

In classic direct marketing, the focus is on the recipient. The key drivers are recipient's emotion, greed, fear, guilt, anger, exclusivity and salvation. The direction is interruptive and intrusive.

We use Classic Direct Marketing when we are trying to establish our place in the market, when the product is mature, when there is a minor upgrade, when it has become a mass market product, when the product is nice but not necessary (Graw, 2009).

1.11 Keys to Successful Direct Marketing

- The right customer
- The right product or service
- The right offer
- The right format design
- The right media
- The right fulfillment
- Follow-up analysis
- Continual testing
- Research (Graw, 2009).

The right customer

We firstly analyze who is the customer and after that we identify their needs. In order to sell the product, we need to see also what motivates them to purchase that product. After checking all these we identify the right customers.

The right product or service

We check if the products or services are completing the customer needs, if the product is exclusive and we make a comparison with other products in the market. One of the most important features is the packaging, it must be done in a correct way, so it would grab the customer's attention. Also the profitability and the market potential must be checked.

The right offer

In order to check if the offer is right, we check if it is the strongest we can make, and should be careful if it is overstated or needs any other incentives.

The right format design

We check if the format design fits our offer. After that, we must check if that design gives the right message, and if the customer gets that message in the way we would like.

The right media

In order to promote our product or service, media is the first place we should look for. Choosing the right media means we did the job in a correct way. Direct marketing connects with the customer in a more straightforward way. In a world where technology is everywhere, social media is seen as the most effective way when choosing between different ways. After choosing the primary media, we select also a secondary media which will complete the gaps left from the primary media.

The right fulfillment

We should check if the promotion and offer we are making is clear, if everything is designed in the correct way. Everything which is promised from the promotion and marketing we make, should be delivered in the most correct way. We should check if every order is controlled and treated in the same excellent way. After all, the customer complaints should be handled and responded in a very fast and correct manner, because that is one of the most important features the business must have, in order to keep a long-term relationship with the customer. And the most important, the customer is always right.

Follow-up analysis

Always follow-up should be done, in order to keep the business running. We analyze results and based on those results, the strategy for the upcoming months is done. A follow-up for the product performance is done, if this product or service should be in the market, according from the revenues.

Continual testing

In order for the business to continue being competitive in the market, continuous testing should be done to the product or service.

Research

Continuous research should be done, in order to be updated with the market. Different surveys should be made to know the customer better and to understand if that customer knows your product or service. In the end of this research we should come to a conclusion if he/she is willing to buy our product, and that shows us what we should change to satisfy the unsatisfied customers.

Chapter 2

2.0 Online Marketing

As Chaffey says, e-marketing is achieving marketing objectives by applying digital technologies. We use e-marketing or internet marketing to define marketing objectives and to develop the strategies in order to ensure that our target customers get the message in the right order. E-marketing is focused on how the company uses the web and digital media in order to advertise and sell their products or services and reach their marketing goals. There are three main processes in e-marketing:

- Customer acquisition: Attracting new customers from the website or from the e-marketing strategies through emails.
- Customer conversion: Converting these attracted new customers to real customers and product and services purchasers.
- Customer retention and growth: Is the process which goes on after converting the customer. As described by many marketing authors, the most difficult part of marketing. There are the different strategies used in order to keep the existing customers loyal (Chaffey, 2007).

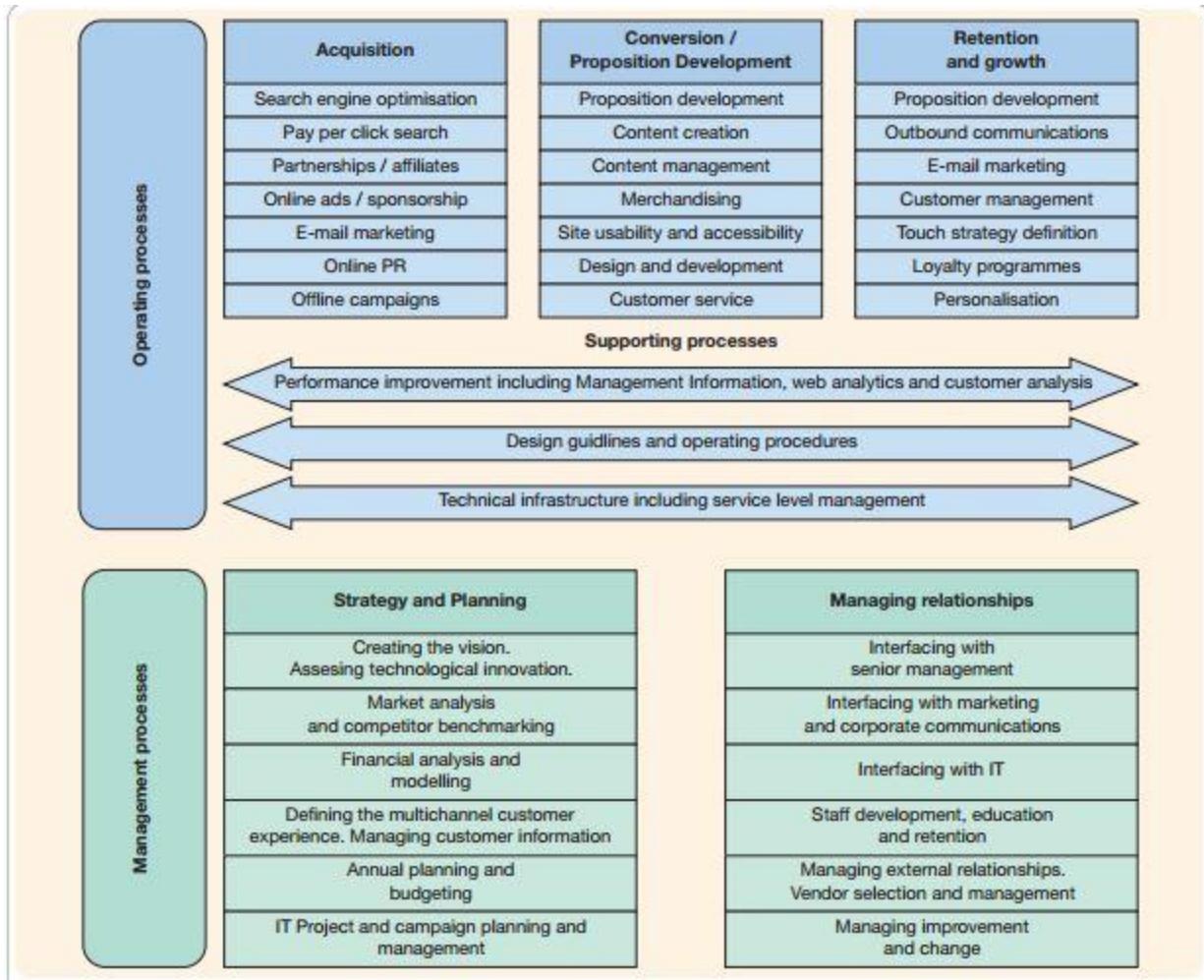


Figure 2.1 The operational and management processes of e-marketing Source: (Econsultancy, 2008)

2.1 A brief view of Online Marketing

Over recent years the letter "E" has received a great importance in the world of information and communication technologies, virtual business and internet research. It has become an important component for a large number of research areas. So we can mention: e-marketing, e-business, electronic finance, electronic commerce, e-learning and distance, electronic markets, and others. The revolution in information and communication technology has changed not only our lives but also the way people do business. There are about 1.97 billion Internet users who constitute 28.7% of the total world population (Measuring the Information Society Report , 2010). The total number of internet users is growing rapidly. This trend is accompanied by increase in people's confidence in doing business on the internet. E-commerce is the fastest growing retail

market in Europe and North America. Online sales in the UK, Germany, France, The Netherlands, Sweden, Italy, Poland and Spain grew from £132.05 billion [€156.28 billion] in 2014 to £156.67 billion [€185.39 billion] in 2015 (+18.6%).

Online sales are expected to grow again to reach £182.80 billion [€216.32 billion] in 2016 (+16.7%) and £215.38 billion [€250.28 billion] in 2017 (European Online Growth, 2016).

This increase in sales can be attributed to increased consumer confidence and improvements in terms of internet security. Customers who carry out online purchases, have more confidence to suggestions and ratings from friends and other internet users than to the media advertising companies (Kapferer, 2012).

According to Sterne, the online presence of the company results for two main reasons:

First, the perceived need to be in contact with customers in terms of design imaging and analyzing strategic moves of competitors.

Secondly, the internet is a vital tool for marketing activities of the organization. Almost 95% of large companies and 38% of the enterprise to small and medium enterprises have established their presence online. Today we can say without doubt that is the time of Internet (Sterne, 1995). Internet appeared for the first time in 1963, and online marketing came to the market in 1990 through some simple techniques established by pioneering companies which were trading their products via the Internet. In this year it was held the first online advertising. Since then and until now, we have a steadily increasing interest of companies to do business online. This trend is reflected in the huge investments in this direction which reach very high figures, billions of US dollars. During these years internet marketing has gone through several stages until they arrived in a structured form. Websites emergency growth coupled with appropriate technology and information that implicated every aspect of economic and social life. Today, three things are clear for businesses.

Firstly, the Internet is very important for marketing. Secondly, successful marketing must be based on understanding of how to integrate traditional principles and new business in a coherent online strategy. Thirdly, the internet marketing is an innovation compared to traditional marketing structure, it is a new way to interact with customers.

Marketing has traditionally been considered an organizational function, as a set of processes for creating, communicating and distributing value to customers and manage relationships with customers by providing benefits for both sides (Kotler, 1991).

One of the most famous authors of this field determines online marketing as "Application of digital technologies which form online channels to contribute to marketing activities in order to achieve profitable sales and keep the customers by improving our knowledge about customers, making communication integrated and focused and online services to match individual needs ". "Internet Marketing is to achieve marketing objectives by applying digital technologies, so it can identify, anticipate and effectively meet the needs of consumers" (Chaffey, Ellis-Chadwick, Johnston, & Mayer, 2006).

Internet marketing consists in using the web as well as traditional channels to build a positive and long-term relationship with the customers and as a result to provide competitive advantages. In the epicenter of all activities is the customer, so he/she should be kept close and should have a dynamic dialogue to ensure high levels of satisfaction. Internet Marketing aims to provide value for customers using information technologies. It provides additional tools for traditional marketing. Constant changes in internet marketing have a direct impact not only on the instruments, but also the goals and objectives which in turn require to use new tools and new strategies. These factors (tools, objectives, goals and strategies) may be used to distinguish the instruments of internet marketing from those of traditional marketing. Not all traditional marketing instruments can be referred as internet marketing tools, but most of them can be used.

2.2 E-marketing plan

As Chaffey says, an e-marketing plan is needed in addition to a broader e-business strategy to detail how the sell-side specific objectives of the e-business strategy will be achieved through marketing activities such as marketing research and marketing communications. Since the e-marketing plan is based on the objectives of the e-business or business strategy there is overlap between the elements of each approach, particularly for environment analysis, objective setting and strategic analysis. The stages involved can be summarized as:

- Situation: Where are we now?
- Objective: Where do we want to be?
- Strategy: How do we get there?
- Tactics: How exactly do we get there?
- Action: What is our plan?
- Control: Did we get there?

Measurement of the effectiveness of e-marketing is an integral part of the strategy process in order to assess whether objectives have been achieved. The loop is closed by using the analysis of web analytics data metrics collected as part of the control stage to continuously improve e-marketing through making enhancements to the web site and associated marketing communications (Chaffey, 2007).

2.3 The need for online marketing

The globalization of markets, the need for the use of new technologies in business platforms and the intensification of competition are becoming increasingly important. This trend is expected to continue in the future. Studies have shown that technological advances have created new communication models and marketing channels causing major impacts on marketing. This is the information technology age. Everyone uses the information to make decisions and to reduce the perceived risk. The unique opportunity that the web has to join text, images, photos, sounds, video clips in a multimedia document has increased the use in a high level versus other traditional media turning it into a global media. Web offers great potential for marketing and on the other hand many aspects of internet marketing are based on the web. Web, data digitization and mass use of personal computers and smartphones have created electronic commerce environment in which traditional marketing techniques are partly transformed, while there are also new techniques being applied. One of the key requirements for success in e-commerce is to provide online bidding in accordance with the needs and demands of customers and knowledge of consumer satisfaction resources.

Recent developments in the field of information technologies and new components on the web are the focus of marketers who have realized the strategic importance and strength of internet. One aspect that requires constant attention by the marketer in the electronic business environment is the growing power of consumers. Nowadays consumers are better informed as a result of studying or information technologies.

Online marketing requires the use of the Internet to provide information, to communicate and to complete transactions. On the other hand, internet marketing offers great opportunities for businesses and industries by eliminating temporal and spatial boundaries and thus affects international trade. As a result of global access, companies can now provide products and

services to customers and partners from different countries of the world more easily and more efficiently. On the other hand, web eliminates many economic and political constraints problems and rules of different countries. Online space offers new opportunities for companies to compete on an international basis by increasing competitive pressure and the need to distribute superior value and superior services by meeting the needs of global customers in the best way possible. Using Internet marketing provides a set of advantages for businesses, but it has also some disadvantages. Recent studies in the field of internet marketing are divided into two major groups where the first group agrees with the opinion that the web has changed the dominant logic of marketing and the other group disagrees in this opinion. However, it should be pointed out that the two groups are of the same opinion that the benefits of Internet marketing dominate the disadvantages that it may have. Nowadays Internet represents the largest electronic platform for business-consumer business sector, which offers not only numerous opportunities for marketers but also a new and dynamic way for the realization of marketing activity levels (Sheth & Sharma, 2004).

2.4 Customer Experience on the Internet

According to Gretzel, customer experience can be managed better if the website is interactive with its users, so the consumers need not only information but require experience and collaboration in it as well. The experience can be improved constantly through site-governmental organizations that provide interaction, enable the focus of attention or offer challenges to their users (Gretzel & Park, 2007).

A positive experience in website will increase the time spent on it. This depends not only on the site's content but also influenced by communities such as online discussion forums. On the other hand, the content of websites determines the level of interaction by providing numerous opportunities for users and multiple choices for activities that they desire. The objectives of online marketing are:

- The promotion of the products.
- The sales of the products and services.
- To secure the information about the company is correctly described for the customers.
- To ensure the services for the customers and support them.
- To create and consolidate the name and the brand of the company.

The websites should be designed in such a way as to be attractive to visitors, to create traffic, to include marketing elements, to encourage visitors to send messages, to inform about the new releases, special offers on a regular basis, to stimulate consumer loyalty, offer special elements that encourage customers to stay on site and visit different areas.

The internet usage is in an uptrend and with this performance, we predict to increase in the future. This is the reason why the internet marketing is becoming crucial to the companies. Even for the direct marketing, companies should take the internet direction, use the information technology to change their strategies how to reach the customers. In order to attract their target customers, every kind of strategy done, must be internet-oriented in order to be successful and to achieve the targets.

2.5 Online direct marketing

Internet marketing is not only a new market, but also expands other marketing functions. The literature shows that there is a disagreement among marketing researchers about what role online marketing plays. Some researchers claim that online marketing offers only some additional instruments for marketing and nothing else. Others suggest that there should be distinctions between online marketing functions and traditional marketing, another group of authors state that internet marketing is completely different type of marketing compared to traditional marketing structure.

Kotler and others defend the idea that internet marketing is a form of direct marketing. As the authors state, the term "direct marketing" has changed meaning many times in the past.

Originally, the term was used to describe the distribution without intermediaries. "Direct" at that time was used in terms of direct distribution to the consumer by the manufacturer or by the manufacturer through its outlets directly to the customer. Later, direct marketing was describing direct promotion and distribution directly to the consumer. This brings together leaflets and catalogs that are distributed directly to customers. This ideology was carried further by the current lead to the definition of direct marketing. It is defined as an interactive marketing system in which media communication and promotion are used to achieve measurable reactions and transactions with the customer in every country. Kotler claims that direct marketing consists of direct links to individual customers carefully selected to receive immediate response from the customer and to cultivate long-term relationships with the customer (Kotler & Armstrong, 2010).

Through the relationship between the internet marketing and direct marketing, authors as Kotler and co-authors, also clarify the relationship between the internet marketing and the traditional marketing. Thus, the traditional marketing structures consists of marketing mix where promotional mix consists of direct marketing and marketing on the Internet is part of it (Trehan & Trehan, 2007).

The idea of joining internet marketing and direct marketing looks meaningful, as internet marketing is actually an interactive system which allows measurable activities measurable and can be run directly to the customer. Moreover, the customer can choose the time and place in which it wishes to interact with online systems. But the completely different definition of the country, as a function of marketing is one of the key reasons that makes the internet marketing not always appear as part of direct marketing. While Kotler and coauthors view the computer as a country function, marketing mix function, other authors as Chaffey describe different internet markets as countries. These different views on the country as a step function of marketing, create other problems that start the discussion on the role of internet marketing (Chaffey, 2007).

2.6 The relationship between traditional direct marketing and online marketing

In order to make this analysis, we need to analyze the 4P of Marketing, which are product, price, place and promotion.

Product

A traditionally promoted product, is offered to the market for acquisition and immediate use by the customer, while in online marketing, the product is promoted, transmitted to the customer very fast and in cheap way. Every product needs a different way of marketing, some products may be more efficient to go online marketing and some in offline marketing. The products are affected differently in offline marketing, and differently in online marketing. A product is going to lose its characteristics in online marketing as everything is going to be replaced by the information based there. As Skender Mustafi is saying, online products are different from offline products and behave differently on the market. Moreover, offline products itself are behaving differently on the online environment. Finally, the overall marketing environment enables integrated products which require an integrated marketing approach. This differentiation of products is requiring different strategies to develop them, to fulfill the requirements of the existing customers and to know the needs of potential ones. (Mustafi, Jost, & Nguyen, 2011)

Price

In setting the price, traditionally, the company should consider the six step procedure: selecting the pricing objective; determining demand; estimating costs; analyzing competitors' costs, prices and offers; selecting and pricing method; and selecting the final price (Kotler, Keller, Brady, Goodman, & Hansen, 2009).

According to Michael R. Baye, in online marketing setting the price occurs differently. Customers can very easily access the internet and use it. In this way, the customers, very easily can find price information. In this way, the competition gets sharper between different companies. So, the companies' access to this information creates new pricing strategies which are not used in offline marketing (Baye & Morgan, 2005).

The reason that customers are searching differently for online products in comparison with offline ones, forces the companies to innovate different pricing strategies that they do not use in offline direct marketing. The online pricing strategies must be product specific. According to Kattuman, online markets are very large ad dynamic, where competitors and customers use the online mediums in order to make their decisions. In this dynamic environment the prices are very flexible and the price-sensitivity of the customers is very high. To reach customers on the one side and to surpass or stay competitive on the other side, innovative online pricing strategies are required to allow price points to respond rapidly to the dynamically changing competitive environment at the individual product level while maintaining margins (Kattuman, Baye, & Morgan, 2007).

Promotion

Many authors consider that online marketing is the fastest-growing form of direct marketing (Kotler & Armstrong, 2010). Some, consider that the promotional mix consists of direct marketing and other tools that the company uses to pursue its advertising and marketing objectives (Armstrong, Kotler, Harker, & Brennan, 2009). That is the reason why we can call online marketing part of the promotional mix.

Authors like Chaffey, say that online marketing uses internet to raise awareness between the customers. It can be in forms of targeted e-mails, banner advertisements or links from other sites. That is the reason why all the potential of online marketing companies is focused on raising the website traffic (Chaffey, 2007).

Some other authors explain online promotion as the most important component of Internet Marketing, as it is aimed the product or service of a specific company through the internet. Online promotion is a broad online marketing strategy which includes social media marketing, viral marketing, e-mail marketing, and so forth (Mustafi, Jost, & Nguyen, 2011).

To conclude, online promotion has a great impact on customers. As it is easy to use by anyone, people have easily access to that information, the message is very easily transmitted and conducted by the customers. In any case online promotion differs from offline promotion, as it uses different instruments and different strategies to be implemented. And also its function is not just making the website popular but it is a really strong tool of online marketing.

Place

With place we define, the location where the customer purchases the product or service. In offline marketing the place is a physical location or shop, while in online marketing the place is the network location which can be the website used as a virtual store.

Kotler and Armstrong explain how online marketing is one form of direct marketing. They take as an example Amazon, the online store. They consider the computer as the connection between the supplier and the customers. In this way they consider that the customers and the suppliers have a direct relationship, since the customers are targeted directly (Kotler & Armstrong, 2010). Regarding Chaffey, place means the location of the purchase, which in some cases can be the place of distribution and in some cases can be the place of consumption. Chaffey explains online purchasing in such a way that there is no direct contact between the customer and the supplier. So, the online store is the network, not the personal computer. In this way the supplier has no direct impact on the customer (Chaffey, 2007).

The customer being connected to different suppliers all around the world just by being connected on a device with internet access, shows that the customer is not directly connected to the specific seller where he/she is making the purchase.

Therefore the direct connection between the supplier and the customer is not possible because there are millions of players in the online market which are buying and selling, trying to expand in the market. The choices of the customers are very large and the market is expanding more and more. This means that the customer will never have that direct connection with the seller where he did the purchase.

Chapter 3

3.0 How online mediums have changed direct marketing?

3.1 Aim of study

With the trend of moving to targeted marketing, many companies are using direct marketing as a primary marketing approach or as a supplementary approach. Direct Marketing is one of the most powerful forms of marketing that different companies are using in order to sell the products or services and achieve the targets. But during the time this form of marketing was invented it was a completely different approach from what it is nowadays. As technology was not developed person to person selling used to be done in a traditional way. Direct mail and telephone were massively used. Nowadays, as technology is used in every situation, it has indicated also marketing strategies, including here direct marketing. This is what is going to be discussed in this study, how all these technology changes have affected direct marketing, if it is more efficient and useful to practice the old way or the new one with internet and technology involved. Social media as the game changer in every aspect, has a big impact also in direct marketing, as marketers use it to target the most relevant customers and to inform them about the product or service. In the end the study should come to a conclusion what all this digitalization has caused to the market and how it has changed the world order.

3.2 Research design

This study sought to compare the strategies used by the direct marketers before digitalization and after digitalization. There is a big difference in the way customers think and in the way the sellers approach to them. Methods used, approaches, focuses, processes and database organization are analyzed in order to compare these two periods.

The research question is: How online mediums have changed direct marketing? To give answer to this question the analysis of the strategies followed is done. By checking what methods were used then and now, what approaches, what focuses, what processes and how the database organization was created in the past and nowadays, we understand the real differences in direct marketing. Primary research was used to find information about these differences. Many authors who wrote and discussed about direct marketing were studied as a point of reference. Different statistics were analyzed through the internet to have a better picture of what is going on right now and what was the situation in the past. After collecting all the required information, the

comparison is made between these two eras. By comparing every aspect of direct marketing, a conclusion comes up to summarize the idea of the dissertation.

3.3 Comparison

As direct marketing consists of connecting directly with the targeted customers, usually is used to get an immediate response from the customers and keep a long-term relationship with them. Using the databases the direct marketers maintain to reach all the targeted customers, offer the product to them and try to turn these targeted customers to potential customers. In the same time direct marketing requires a fast response and feedback from the customers. During the 20th century, the basic direct marketing was based on a three part strategy in order to achieve the targets. The first one used to be the model of generating leads, then the second to push the salespeople to close these leads by force selling. And the third one to keep these customers and retain them by the customer service department (Mullin, 2002).

Early direct marketers used to sell mainly by mail and by telephone after gathering the required leads and information needed for the customers. Nowadays, after tremendous changing in the technology, huge changes are applied also in direct marketing. Many companies use direct marketing as a supplementary form of marketing, but the majority is using it as a primary form of marketing.

3.3.1 Methods used

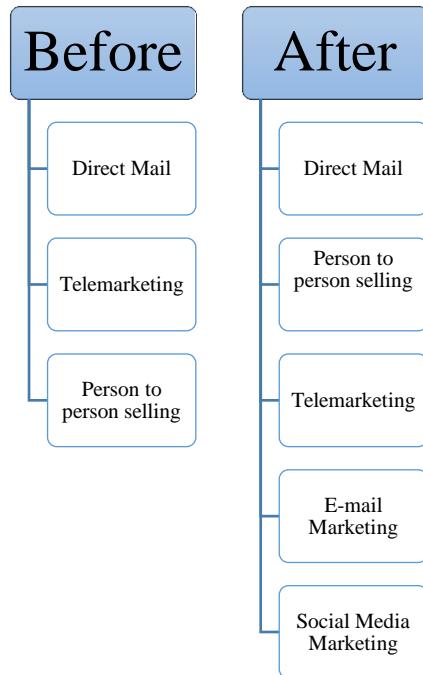


Table 3.1 Methods used before digitalization and after digitalization

Direct mail and telemarketing are the two mostly used methods of direct marketing before the internet entered in every aspect of the businesses. These two kind of direct marketing used to identify this strategy used by different companies. Direct mail used to be the most important medium for direct marketing. It consists of personalized advertisements which are sent to the prospects on the delivery list. It is one-to-one communication oriented. Telemarketing is another method which was heavily used in the past and is still used nowadays. It consists of convincing database customers on the phone to buy the product. With the increasing influence of credit cards, this method has become very useful even nowadays. But this kind of method is illegal in some countries because of the negative reactions of the customers who find this method very annoying (Berry, 1998).

Today direct marketing has taken completely a different form. The most important tool used by direct marketers is the internet. Many other tools like social media and smartphones are very useful for direct marketers. The issue with the direct marketers is that they have to use these tools in the proper way in order to sell the product or service (Kalb, 2013). The methods used nowadays are e-mail marketing, telemarketing, social media marketing, direct mail and personal

selling (Dupree). As we see, telemarketing and direct mail have survived with the time, but they do not have the same importance that they had in the past. E-mail marketing and Social Media Marketing have become the most important methods that direct marketers use in order to target the right customers and to sell their product or service.

3.3.2 Approaches

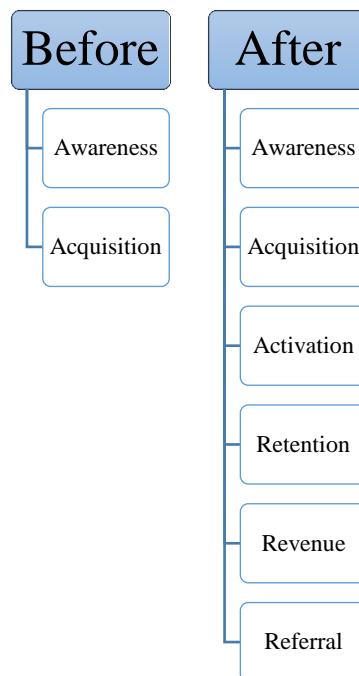


Table 3.2 Approaches used before digitalization and after digitalization

In the past direct marketing was more focused on mass marketing and less on individualization. The ways of approaches were usually standard like direct mail, catalogue marketing and telemarketing. As we can see from the table, the most important issue for the marketers in the past was just to turn the leads into customers by selling the product or service and they did not care about what happened next. This is the big difference with nowadays strategies. Today the direct marketers' hard job starts after the acquisition of the product. Then they have to activate the customer and retain him or her in order to make this customer a loyal customer and the most important to turn him or her to a loyal advocate. So the customer can be a referral for the company, in this case he/she is doing the marketers' job. That is what the companies are aiming to achieve nowadays, making their customers goo referrals and turning them into good and loyal

advocates of the company. Now these strategies are changing and if the companies want to survive in the market, they have to adapt to all these changes in the ways of approach (Suiter, 1991). The actual approach to the customers is more individualistic. Companies try to get in touch with the customers, understand their needs and offer the product they are searching for, differently from the past where the customers had to choose from the possibilities the market offered.

3.3.3 Focuses

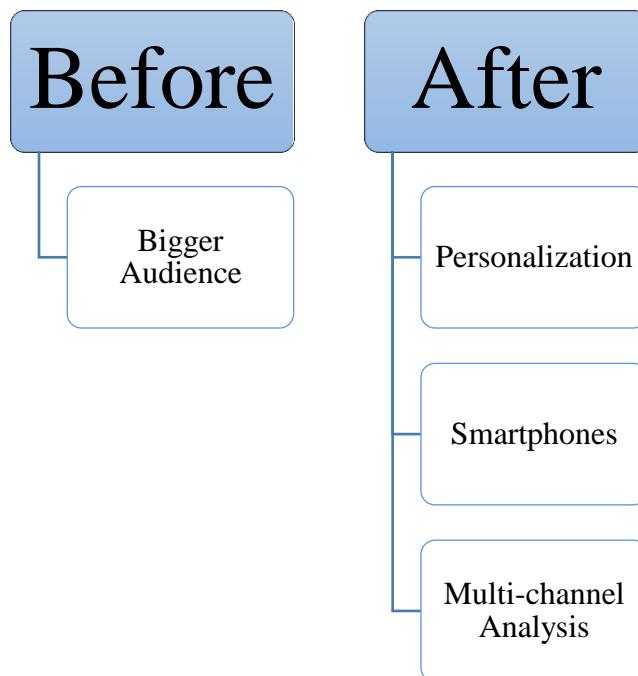


Table 3.3 Focuses before digitalization and after digitalization

We can see many differences in the focus of direct marketing as well. As before direct marketing was focusing to bigger audience, was trying to touch the customers in a more mass marketing strategy. Nowadays the focus has turned more individualistic and the marketers are trying to segment the market in a proper way by using the updated and modern customer databases. So as Blattberg says, direct marketing focus is the implementation of targeted campaigns (Kim, Blattberg, & Neslin, 2008).

The first key part of direct marketing nowadays is personalization. This kind of strategy answers the customer's question: Why should I care about this product? As many kind of products and services are offered, these customers are getting tired from all these sales pressure upon them. The only way that the company can sell the product is by offering what the customers need, or

making the customer need that product or service. So there should be the right offer which can be desirable and affordable in the same time. In this way, the company should understand if the benefits that the customers are going to get are clear for him/ her and their objections are handled. After making the right offer, the companies should choose also the right customers to make this offer. The right audience must be studied from the geographical areas, their incomes and demographics. By studying the highest responding segments, that's the way the companies understand where they should focus more. And also part of the personalization is the right time. The time should be chosen correctly, so it is the right moment for the customer to make the purchase.

The second focus of direct marketing is the rising importance of smartphones. Nowadays the smartphone usage is in the highest levels, as they have made our lives easier. Most likely the majority of the customers, is going to go to his or her smartphone in order to search for a product or service. So, the campaign can be also focused on mobile marketing, because in this way the company can reach the targeted customers in an easier way and in the same time can get the feedback much more easily from the customers. As it is made easier and more comfortable for the customers to leave the feedback for any product, the company can study the customer's response before, during and after the campaign. In this way is easier to understand if the campaign is successful or not. As tracking is improved, it is easier for the companies to reach specific customers with different campaigns from all around the globe by mail, social and digital ways.

The third focus of direct marketing nowadays is multichannel analysis. With the rise of digitalization, a great importance the marketers are putting to multi-channel campaigns. The direct marketers should not only understand the response rate and the feedback from the customers, but also the effect that the campaign is having in other fields, which is called "the halo effect". In this way the campaigns made nowadays should effect not just one channel, but should be multi-channeled. In the same time the campaign is conducted in every kind of device with internet access in order to touch all the relevant customers and take the feedback from them. After applying the multi-channel campaign, the direct marketers build dashboards to see in which channel the campaign was more effective (Black, 2015).

3.3.4 Processes

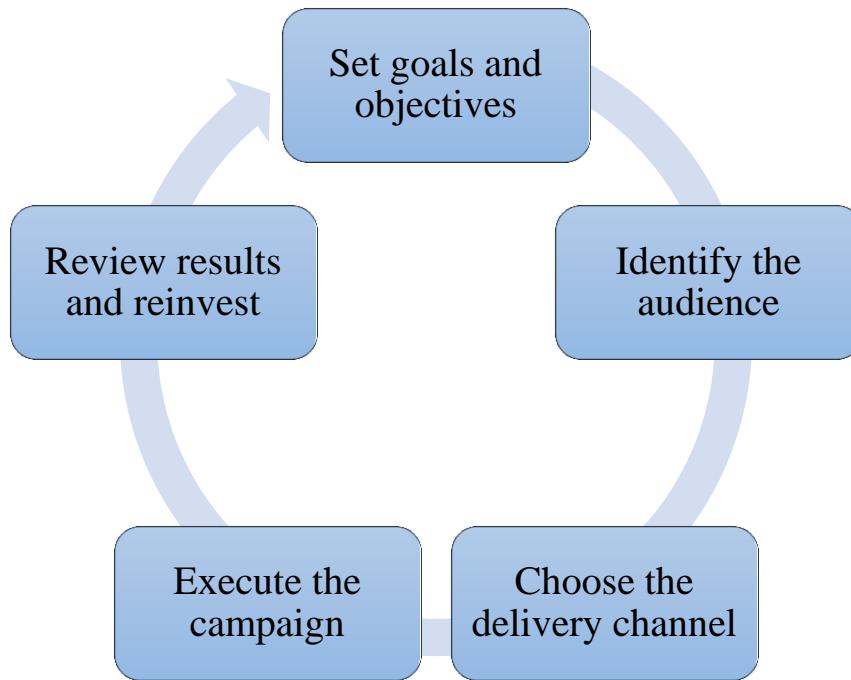


Table 3.4 The process which direct marketers follow for their direct marketing strategy

Regarding the process part of direct marketing we can list these six steps:

- Firstly the marketers set the goals and the objectives
- Then determine the response mechanism
- Identify the target audience
- Choose the marketing channels
- Produce the campaign
- Review the results and reinvest (Alphagraphicsbillings, 2012).

As we can see, this is the basic process followed by the direct marketers nowadays. The difference here we can see in the choosing the marketing channels. As we live in the age of technology, the marketing channels are in a very large scope. During the past, the marketers were limited in just non-technological marketing like direct mail. That strategy used to be the symbol of direct marketing. But nowadays the channels marketers can use vary in many forms, like e-mails, social media, online marketing, etc. Digitalization have impacted also the process of

choosing the marketing channels, as the companies need to choose the right channels in order to compete in the market.

3.3.5 Database Organization

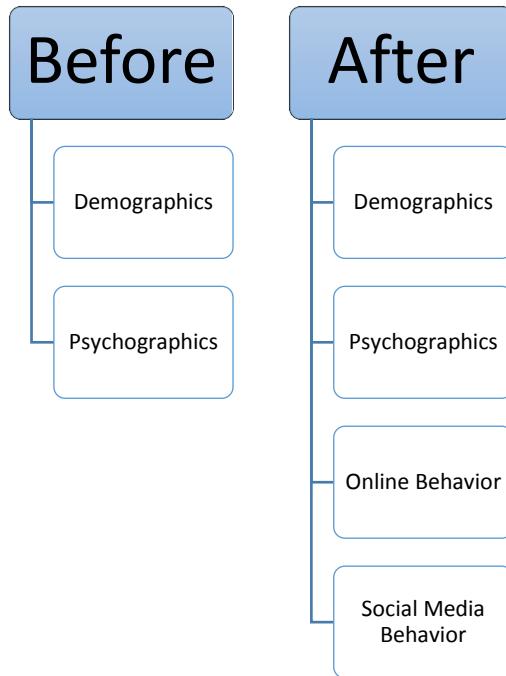


Table 3.5 Database organization before digitalization and after digitalization

To build an effective direct marketing campaign, everything starts from the databases. Proper customer databases consist of demographics, psychographics and buying behavior. After creating the databases the direct marketers choose which strategy they would follow, which in the early ages have been mainly three kinds; direct mail, catalog marketing and telephone marketing. Nowadays the organization of the campaign also starts from the database, but the difference is within the content of the databases. As databases in the past used to contain basic information about the customer, also the marketers had to target a larger mass of customers by having difficulties in segmenting the market. As we can see from the table above, in the past the databases used to contain only demographics and psychographics behavior about the customers, nowadays it is added up the online and social media behavior which make the difference in segmenting the customers. With all this digitalization, the databases contain a full profile about the customers. This feature helps the direct marketers to target the right customers in a more

efficient way. The social media gives a great help in creating the completed databases with customers' information, as it provides their preferences in an up-to-date manner. The database has turned out to be the basic tool for a direct marketer in order to build an effective marketing campaign, which is the reason why every company should invest on their databases (Belt, 2009).

3.4 Direct Marketing during social media era

Social Media User Numbers Statistics

4Chan: 11 million users

Airbnb: 50 million users

Facebook: 1.65 billion users

Flickr: 112 million users

Google+: 300 million users

Instagram: 400 million users

LinkedIn: 300 million users

MySpace: 50.6 million users

Periscope: 10 million users

Pinterest: 100 million users

Reddit: 36 million accounts

Snapchat: 100 million users

Twitter: 320 million users

Wechat: 1.12 billion users

Weibo: 600 million users

WhatsApp: 900 million users

Youtube: Over 1 billion users (Brandwatch, 2016).

Social media business statistics

- Social networks earned an estimated \$8.3 billion from advertising in 2015
- 38% of organizations plan to spend more than 20% of their total advertising budgets on social media channels in 2015, up from 13% a year ago
- Only 20 Fortune 500 companies actually engage with their customers on Facebook, while 83% have a presence on Twitter
- People aged 55-64 are more than twice as likely to engage with branded content than those 28 or younger
- 96% of the people that discuss brands online do not follow those brands' owned profiles
- 78 percent of people who complain to a brand via Twitter expect a response within an hour (Brandwatch, 2016).

The internet has had a big growth in the last 20 years. It is still growing and everything is surrounded by technology and digitalization. Now internet allows us to look at people's lives in a daily basis, keep up with the friends and family and buy products from the smartphone. As the way of purchasing goods has changed, this has changed also the direct marketing strategies. The marketers have to market the products in a way that fits the customers shopping habits. The companies which have failed to keep up with all this digitalization have gone out of business, because of the hard competition.

Social Media is with no doubts the game changer regarding this topic. Targeting the customers on social media is the most effective way of direct marketing nowadays. Social Medias have done a very good job regarding the customers' preferences. Very easily the marketers can identify from the social media what the customers like and what would fit their needs. As Social Medias like Facebook, Twitter, Snapchat, Instagram, Linkedin, etc. are used worldwide in a very high level, the companies are using this to attract them and to turn them into potential customers. As social media is easily accessible from smartphones and nowadays is the age of these kind of mobile phones, people feel more comfortable to run their accounts on these devices. Marketers are following up with this phenomena to keep the business running. According to the pages the customers like, those are the preferences they have, so this is how the company designs the products, to fit these preferences. And the most important, it is very easy for the people to share with their friends what they like. In this way they are doing the job of the marketers.

Social Media is called by the marketers as a “gold mine” regarding customer data. All the information needed from the customers is provided to the marketers by the social media, regarding hobbies, interests and online behavior. With more than two billion reported users of social media, it is much easier for the marketers to target their customers. Social Media can help direct marketers to:

- Identify and target the right customers through their preferences
- Conduct the latest offers and promotions in an efficient manner
- Collect the feedback in a database through social media features
- Make the calculation of the results easier for the direct marketers

As social media is the best tool to use for marketing nowadays according to statistics from Brandwatch, around 91% of the companies use social media for marketing purposes and around 60% to engage with the customers (Brandwatch, 2016). This statistics show the importance of social media for direct marketers. The Facebook’s Graph Search gives the marketers a great help as it shows all the search history for their customers. That search history includes likes, preferences, check-ins, etc. Basically, studying the customers’ activity log shows the interests he/she has. Another very important feature that social media offers to the direct marketers, is the cost efficiency for the company. A well-managed social media plan means almost zero costs and a very high response from the customers.

Social Media can easily turn into multi-channel strategy. For example, if the marketer checks that the targeted customer does not open the e-mail frequently, he/she can send a direct message to the social media account as a reminder for the e-mail. Or if the customer opens the e-mail, social media logos in the e-mail can encourage the customer to share the product or service and in this way can also make the marketer’s job easier. Social Media has turned into one of the most powerful tools for marketers. The direct marketers who look at social media as a gold mine, are more likely to be successful in the market, have more customer engagement and have higher sales. (Hambelton, 2013)

Conclusion

Direct Marketing has gone through many changes with all the digitalization that has taken place. As it has a huge difference from many years ago, direct marketing is still very useful for the companies to attract the customers and turn them into buyers. With the help of all this technology, social media and smartphones, marketers are trying to put their target to individual customers.

Through the development of digitalization, direct mail is more accurate, as marketers have the proper tools to track and segment their customers. The customer databases are updated with the latest technology and this helps the marketers to identify easily their target customers. In direct mail the marketers can check if they are reaching the correct customers, they can test more accurately the campaigns and get the response in a more correct and faster way. The updated information helps the marketers to keep the relationship with the customers even after the purchase in order to retain them.

The rise of online mediums has put all the power on the customers' hands. They can search for a product, read the reviews and choose what perfectly fits them just from their home. This issue orients the companies to market their products in the way the customers want, so the internet has given the power to the customers, differently from the past when the power was on the businesses. Nowadays the aim of the companies is to motivate the customers to go on online shopping. This is reached from the online marketing through digitalization and social media. As the traditional direct marketing is fading, the online direct marketing is becoming the best form of marketing.

Social Media is the big game changer in direct marketing. It has effected marketing in such a way that it has its own name "Social Media Marketing" which is named as one of the most effective marketing nowadays. By using Facebook, Twitter, Snapchat, YouTube, LinkedIn, the marketers can interact with the customers in a way that in the traditional direct marketing is impossible. The contact is in a personal level that the customer can get the message in the most appropriate way, which is the most important goal of direct marketing. Interacting with social media means reaching the customers where they stay almost the whole day in a daily basis. What the marketers do is that they provide to the customers information about the products with actual trends and this makes them share it with their friends. That is what the marketers want to achieve. So if in the past they wanted just to sell the product or service, nowadays the marketers

want the customers to share, so that a bigger mass can get the information. In this case the loyal customers can turn into loyal advocates which can market the products. And after all direct marketing in social media has less costs and higher effectiveness than direct mail or any other form of direct marketing. That is why many marketers see direct social media marketing as the best way to market the products or services. As we can see, the companies which are combining digital marketing and direct marketing, can have a very high impact and is seen as the only way to survive in this highly competitive market. In the age of smartphones, the digitalization has many advantages which the companies should use in order to have the competitive advantage in the market. This is where the businesses should invest in order to keep up with their competitors. What we understand from all these is that the power is shifting to the customer. All the strategies are planned around customer management. Companies use every tool they have to understand customers' needs, what they want, when they want it, if it is worth to provide that offer to them and the most important predict what they are going to need in the future. With the internet involved in everything, customers cannot be managed anymore. In the past the supplier was deciding who to target, what to offer and when to pull out of the deal if it was not going as planned for them. The customer databases used today have made segmentation and targeting easier for the marketers, based on the customers' preferences. So, it is the customer who controls the marketers move, not the company.

Every company should be ready for any change made in the market. It should be up-to-date with the difference on the market demand from the customers and new offers and promotions from their competitors if they want to really stay in the market. One of the biggest changes in the history is the entrance of internet age or digitalization. It has changed the way we think, the way we live and the way we predict our future. It has had also a very great impact on direct marketing. All the study was done around this issue. Before online mediums direct marketing used to be completely different and the approach against the customers used to be planned very differently. We saw that without all this digitalization the marketers used to push the sales and they could control the market. The companies were deciding what to offer, how to promote it and it was the customer who had to adapt with what the market offered. Now after online mediums it is seen that the customer is the one who is making the law in the market. Depending on customer demands, the marketers are making their moves on the market. Everything produced is designed to fit customers' needs, as it is seen the only way to sell the product or service. As there is a high

competition in online market and the customers can choose different products just comfortably from their home, what the companies need to do is to mix direct marketing with online marketing. By mixing these two kinds of marketing, the marketers are trying contact the customers in individual and stay near to them as much as they can.

Social Media as the game changer, in this field is helping companies reach all the targeted customers in a very personalized way. As it is seen in the study, social media is making the companies build the marketing strategies around itself. In this way, what it is concluded after the study is that the marketers are no longer just pushing the sale, but they require also from their customers to share their product or service. So, as we see there is a big movement from selling to sharing. This is what online mediums have changed in the market. The approach and the goal of the companies is different after all these changes. The future is expected to be more technological and digital as people are more comfortable in this way and nobody can turn back. What we all can understand is that everything is going to be more customer oriented and all the innovations in the market will come all to a conclusion. To make the customers' life easier and the marketers' life harder.

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