# Survey of Advertising

## November 26, 2012

**Direct Marketing, Personal Selling, and Sales Promotion**

* **Understanding Direct Marketing**
  + **Direct Marketing is communication that…**
    - Generates direct orders
    - Prompts information requests
    - Generates store or business traffic
    - Builds and maintains a customer database
  + **Advantages of Direct Marketing**
    - Helps to develop a good database
    - People see themselves as unique
    - Tangible response -> tests campaigns effectiveness
    - Cost effective
    - It’s personal
    - It’s targeted
  + **Disadvantages of Direct Marketing**
    - Negative, sales-oriented reputation of direct marketing
    - Enjoyment of visiting retail stores is gone
    - Hesitation to buy goods not seen, touched or tried
    - Privacy concerns (names sold by vendors)
    - Clutter of direct marketing messages (Clutter is an issue for any form of advertising)
    - Lack of prestige of direct marketing media
  + **Strategy Types**
    - Direct Sales:
      * Personal direct selling: Face-to-face selling away from a fixed location. E.g. Amway and Avon
      * Telemarketing: Selling and prospecting via telephone
    - Direct-response advertising:
      * Advertising that requires feedback from the viewer, listener, or reader
        + Direct-mail: Advertising sent directly to prospects via government (USPS), private (UPS), or electronic mail (Yahoo) delivery service
        + USPS and Customized Market Mail (CMM)
  + **Types of Direct Mail**
    - E-Mail
      * How do advertisers combat spam?
        + Valid email, opt-out option, and “this email is an advertisement”
    - Sales Letters
      * Persuade in absence of a salesman
      * Mailed with brochures, price lists, or reply card, and envelopes
    - Postcards
      * To announce sales, discounts, or generate customer traffic
    - Business reply mail
      * Customers can respond without paying for postage
      * Advertisers pay postage and handling fees when a response is received
    - Self-mailers
      * Direct mail without an envelope
    - Statement Stuffers
      * Ads enclosed in monthly customer statements from department stores, banks, etc
    - House Organs
      * Internal publications that communicate organization news and activities to employees and select external audience
      * E.g. Stockholder reports, newsletters, consumer magazines, etc
  + **Personal Selling**
    - What is it?
      * Interpersonal communication process by which a seller ascertains and then satisfies the needs of a buyer, to the mutual, long-term benefit of both parties