
A STUDY ON DIRECT MARKETING AND PROMOTION STRATEGIES WITH SPECIAL REFERENCE TO OWN MY SHOP E-BUSINESS PVT LTD SALEM

Article Particulars

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Abstract

Direct marketing is attractive to many marketers because its positive results can be measured directly. Consumers have expressed concerns about the privacy and environmental implications of direct marketing. A 'combination' sales promotion strategy is just that; it is a combination of a push and a pull strategy. It focuses both on the distributor as well as the consumers, targeting both parties directly. It offers consumer incentives side by side with dealer discounts. This study find out the factors that are positively or negatively affecting the effectiveness of advertisements through internet marketing as well as customers perception. Customers lack of awareness, lack of promotional activities are the areas where the company has to concentrate. It will help the company to improve its market position. Marketing communication based on such an objective will help the company to attract more and more customers

Key words: *Direct Marketing campaign, Sales promotion, Sales strategy efficiency*

Introduction about the Study

Direct marketing is a channel-agnostic form of advertising which allows businesses and non-profit organizations to communicate straight to the customer, with advertising techniques that can include cell phone text messaging, email, interactive consumer websites, online display ads, database marketing, fliers, catalogue distribution, promotional letters, targeted television commercials, response-generating newspaper/magazine advertisements, and outdoor advertising. Amongst its practitioners, it is also referred to as Direct Response.

Direct marketing messages emphasize a focus on the customer, data, and accountability. Hence, besides the actual communication, creation of actionable segments, pre- and post-campaign analytics, and measurement of results, are integral to any good Direct Marketing campaign. Characteristics that distinguish direct marketing are:

A database of names (prospects, customers, businesses, etc.), often with certain other relevant information such as contact number/address, demographic information,

purchase habits/history, company history, etc., is used to develop a list of targeted entities with some existing common interests, traits or characteristics. Generating such a database is often considered part of the Direct Marketing campaign.

A sales promotion strategy is an activity that is designed to help boost the sales of a product or service. This can be done through an advertising campaign, public relation activities, a free sampling campaign, a free gift campaign, a trading stamps campaign, through demonstrations and exhibitions, through prize giving competitions, through temporary price cuts, and through door-to-door sales, telemarketing, personal sales letters, and emails.

The importance of a sales promotion strategy cannot be underestimated. This is because a sales promotion strategy is important to a business boosting its sales. When developing a sales promotion strategy for your business, it is important that you keep the following points in mind

Consumer attitudes and buying patterns

- Your brand strategy
- Your competitive strategy
- Your advertising strategy
- Other external factors that can influence products availability and pricing.

In order to understand the basic role and function of sales promotion, one must differentiate between sales promotion and other components of the marketing mix. Sales promotion usually operates on a short timeline, uses a more rational appeal, returns a tangible or real value, fosters an immediate sale, and contributes highly to profitability. The idea of contribution to profitability may be confusing. It is simply the ratio between what is spent on a promotional mix compared to the direct profitability generated by that expenditure.

A few exceptions to the above characteristics do exist. For example, a sweepstakes might use a very emotional appeal, while a business-to-business ad may be very rational.

Objective of the Study

- To find out the efficiency of Direct Marketing and promotion Strategy
- To find out the sales strategy efficiency
- To find the tools and techniques of sales promotion
- To find out the target customers level of satisfaction

Benefits of the Study

- To determine which factor influences the clients to go for internet marketing tool in digital media.
- To find out effectiveness of brand building through internet marketing
- To find out the internet marketing is beneficial for the seller.

Limitations of the Study

- The first limitation caused during the market research was to find out the respondents are clients of Own my shop E-Business Private Limited.
- The information is mainly primary data obtained from the company and downloads from the internet
- Time period of the study is limited

Review of Literature

Zachary Soreff (2009), director of sales & marketing at Red Letter Days explains the value of an experiential reward: "Experiences offer a more interactive and tuned-in way of promoting a product which, in turn, allows audiences to become more integrated with the brand. They are a popular tool for sales promotion because we are engaging customers emotionally with the brands by giving them a memory to cherish."

Tim Bishop(2011) of Exhilaration explains that by "aligning your brand with a relevant experience you can help to create a more exciting perception of your business in the customer's mind." Sales promotion has been defined as a "direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale" (Schultz and Robinson,1982). The term "sales promotion" has been used to represent at least three different concepts: (1) the entire marketing mix, (2) marketing communications (Anderson, 1982),(3) a catch-all for all communication instruments that do not fit in the advertising, personal selling or public relation subcategories(Van Waters hoot and Van den Bulte,1992).

Kumar and Denish Shah have published research paper entitled "**Pushing and Pulling on the Internet**" "The internet is fast emerging as a domain sales channel. The Internet is expanding& it influences consumer which shifts the consumer behaviour. It has changed the way product awareness is created²⁸, developed new modes of product consideration. VikasBondar, "Discuss how sales and marketing strategies have changed as a result of developing technology. What changes have occurred in advertising with the development of computer technology? How has developing technology expanded the marketplace for both businesses and consumers?" –Focus discipline projects business, ESL 91, spring 2000 Kumar and Denish Shah, "Pushing and pulling on the Internet", Marketing research, spring 2004.It also creates new means of purchasing products. This has brought new opportunities, challenges and threats (in the form of competition) to both existing and new business.

A study on "Electronic Marketing in India: A Study on Opportunities and Challenges"(2003) by **Reddy** concluded that the major factors attributing to the imminent success of e-marketing are, the high level of interactivity, the 24 hours/7days/365(a year) functionality, and the unconfined boundaries. However, there are certain hurdles to overcome before e-marketing becomes a viable business model

in India. First and foremost is building trust and loyalty, rather than promoting it as a cost effective option. People go to a dot.com for convenience, comfort, trust, safety and savings. With the gaining prominence of e-marketing – management and execution of strategic marketing programs for customer acquisition, customer retention and cross selling will come into play. This will require a tactically defined and developed e-CRM strategy, to optimize consumer buying habits and increase the net conversion ratio of 'prospects' to 'advocates'.

Research Methodology

Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design is the conceptual structure within which research is conducted. It constitutes the blueprint for the collection measurement and analysis of data. Here in this study the researcher chose's **descriptive research**. This study is concerned with describing the characteristics of a particular individual, or of a group.

Descriptive Research Design

Descriptive research studies are concerned with describing the characteristics of certain individuals or a group. Descriptive research studies are used for preliminary and exploratory studies in addition to frequents use as conductive studies. This study is typically guided by an initial hypothesis.

Data Collection Methods

While deciding method of data collection for the study, Researcher should keep in mind the two types of data collection.

Primary Data and Secondary Data

Sample Size

Sample size refers to the number of units to be surveyed this study consists 80 respondents among the population.

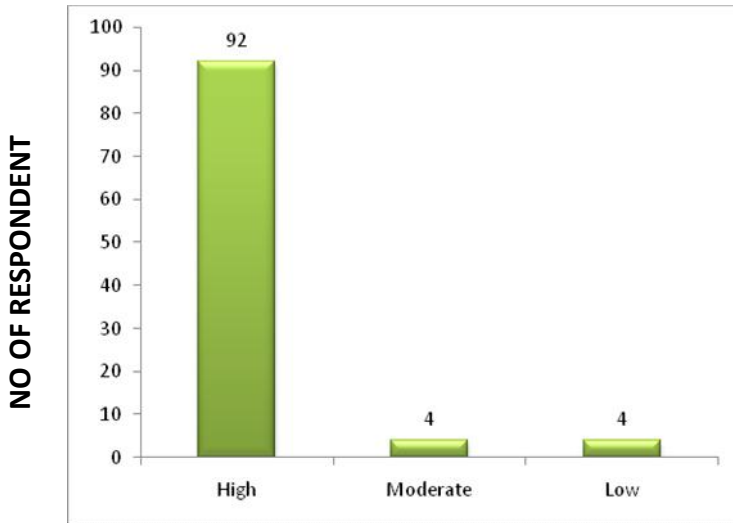
Sampling Techniques

The selection of units from the population based on their easy availability and accessibility to the researcher known as convenience sampling

Data Analysis and Interpretation

The below Table and Chart Showing that Direct Marketing and Sales Promotional Activities Attracts the Customer

Option	No. of Respondents	% of Respondents
High	74	92
Moderate	3	4
Low	3	4
Total	80	100



Interpretation

The above table shows that 92% of the respondents Highly attractive, 4% of the respondents are moderate, of respondents are Low attractive with Direct Marketing and sales promotion.

The Below Table and Chart Showing on the Type of Sales Promotion Activities Prefer

Option	No. of Respondents	% of Respondents
Discount	32	40
Offer	20	25
Gifts	20	25
Luck draws	04	05
Quantity deal	04	05
Total	80	100



Interpretation

The above table shows that 40% of the respondents are attract with discount, 25% of the respondents are attract with offers, 25% of the respondents are attract with Gifts, 05% of the respondents are attract with Luck draws and 05% of the respondents are attract with Quantity deal

Chi Square Analysis

The Association between Annual Income and Business Volume and Market Size Increased by Internet Marketing Services

H1: Research hypothesis

There is significant association between annual income and business volume and market size increased by internet marketing services.

H0: Null hypothesis

Under this study the researcher sets the null hypothesis as that there is no significant association between annual income and business volume and market size increased by internet marketing services

Business volume and market size increased	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree	Total
Annual income						
Up to Rs 500000	5	20	15	3	2	45
500001 – 1000000	10	09	1	0	0	20
1000001-1500000	2	6	1	1	0	10
Above 1500000	3	2	0	0	0	05
Total	20	37	17	4	2	80

Solution

$$\text{Total of calculated value} = \frac{(\text{OF} - \text{EF})^2}{\text{E}}$$

Hence, the calculated value of t² = 30.928

Degrees of freedom = (r-1) (c-1) = (4-1)(5-1) = 12

Tabulated value = 21.026

O _i	E _i	(O _i -E _i)	(O _i -E _i) ²	(O _i -E _i) ² /E _i
5	13.5	-8.5	72.2	5.348
20	18.45	1.55	2.40	0.130
15	9	6	26	2.888
3	2.25	0.75	0.56	0.248
2	1.8	0.2	0.04	0.222
16	9	7	49	5.444
10	12.3	-2.3	5.29	0.430
3	6	-3	9	1.500
0	1.5	-1.5	2.25	1.500
1	1.2	-0.2	0.04	0.033
2	4.5	-2.5	6.25	1.388
8	6.1	1.9	3.61	0.59
2	3	1	1	0.333
2	0.75	1.25	1.56	2.08
1	0.6	0.4	0.16	0.266
7	3	4	16	5.333
3	4.1	-1.1	1.21	0.295
0	2	-2	4	2
0	0.5	-0.5	0.25	0.5
0	0.4	-0.4	0.16	0.4
Total				30.928

Calculated value of > Tabulated value

30.928 > 21.026 (5% level of significance)

From the above analysis, we find that calculated value of the chi-square is greater than the tabulated value of the chi-square at 5% level of significance.

Findings

- Majority of the customers are Highly attractive with Direct Marketing and sales promotion.
- Majority of the customers are attract with discount

Suggestions

- In case any new companies starts nearby it is company's responsibility to keep an eye on their promotional activities.
- Company has to concentrate more on marketing and sales promotional techniques to develop it faster than competitors.
- The price should be taken into consideration now and then to promote the company.

Conclusion

Customers are highly attractive with direct marketing and sales promotion. Customers Attract With discount and to get offer from festival season. Proper sales promotion can help reach the customers and can increase sales. It is found that although the short term effects of promotions are strong; these promotions rarely exhibit long term effects. It is observed that each sales component generally lacked a permanent effect and the effect of promotion was short lived and increase in promotions affected consumers' stockpiling decisions in the long run. They found that the combined short and long-term elasticity of promotions was zero. The stockpiling induced by a promotion was essentially offset by reduced demand in the long term. Thus increased sales were more a result of sales borrowed from the future than increased consumption.

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