

## ADVANTAGES OF USING DIRECT MARKETING IN THE SALES ACTIVITIES OF THE ENTERPRISE

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**Purpose:** The aim of the article is a study of the development of the concept of "direct marketing", research of the methodological and informative providing of realization of direct sale in activity of sale enterprises. To achieve the goal, the following tasks are set: systematization, comparison and analysis of theoretical approaches of the Ukrainian and foreign scientists, is to essence of concept "direct marketing"; researches of basic instruments of realization of direct sale by the performers of entrepreneurial activities; determinations of advantages and lacks of the use of the direct marketing are in activity of enterprises; grounds of the use of the direct - marketing are in activity of sale enterprises.

**Design/methodology/approach:** To the article were used methods of comparison, grouping and generalization – for research and analysis of opinion of scientists in relation to development of the direct marketing, method of systems analysis – for systematization of modern forms of the direct marketing and ground of them role in the sale activity of enterprises, and also formulating of conclusions.

**Findings:** The analysis of scientific labours and researches in relation to the use of the direct marketing in activity of the Ukrainian enterprises showed that the direct marketing was the special form, process, method of effective realization of sale of products, in the modern business conditions.

**Practical implications:** Researched in the article modern forms of the direct marketing show that today, their use in the sale activities of enterprises not only facilitates the sale of goods and services at the market, but also allow to form effective, direct of long duration relations with consumers, to choose effective marketing strategy and program of actions, which influences on informing of market environment, growth of having a special purpose audience, increase of volumes, sale and expansion of limits of realization of business.

**Originality/value:** The article contains the validity of the practical use of modern forms of direct marketing in the activities of Ukrainian enterprises: Premium Food (Mr. Grill), LTS “Solomia”, “Rodinna kovbaska”, “Henkel Bautekhnik Ukraine”, TM “Curtis” and others.

**Keywords:** direct marketing, consumer, direct sale, Internet marketing, e-mail marketing, content marketing, SMM marketing.

**Category of the paper:** general review.

## 1. Introduction

In the conditions of development of market relations, performers of entrepreneurial activities, carrying out trading in commodities and services tried to find the most effective, effective ways of their sale, methods of distribution at the market and offering to the consumers. Today, such effective way is exactly the direct marketing that by means of the instruments and methods helps not only effectively to carry out the sale of commodities and services, and also assists the increase of economic efficiency of enterprises, bringing in of greater contingent of consumers, puts right of more long duration relationships with customers, forms more competitive edges for enterprises and improves their competitiveness at the market.

Taking into account research problems, the aim of the article is a study of the development of the concept of "direct marketing", research of the methodological and informative providing of realization of direct sale in activity of sale enterprises. To achieve the goal, the following tasks are set:

1. systematization, comparison and analysis of theoretical approaches of the Ukrainian and foreign scientists, is to essence of concept "direct marketing";
2. researches of basic instruments of realization of direct sale by the performers of entrepreneurial activities;
3. determinations of advantages and lacks of the use of the direct marketing are in activity of enterprises;
4. grounds of the use of the direct-marketing are in activity of sale enterprises.

## 2. Literature review

Such scientists as Garkavenko, S. (2002), Burnett, Jh., Wells, W. & Moriarty, S. (1999), Kotler, Ph. (2007), Armstrong, G. (2009) in the labours investigated essence and development of the direct marketing, as major of communication means of influence in opinion of and decision of consumer in relation to the purchase of commodities. Armstrong, G. (2009), Keller, K., & Kotler, Ph. (2016) in the researches the special attention is spared to the basic forms of the direct marketing, greater advantage from that is got to e-mail trade and distribution of suggestions. As practical experience shows, exactly due to the use of effective mechanisms of the direct marketing and facilities of direct sale, such large the world companies as Amway, Mary Kay, Herbal Life, Apple and other able to score a world success and promote the competitiveness in the world market.

Scientists Burnett, Jh., Wells, W. & Moriarty, S. (1999) attention was anymore paid in the researches to forming of successful marketing activity through the study of different of communication facilities, especially investigated facilities of advertisement, that describe the traditional forms of the direct marketing now.

Stone, M., Davis, D., Bond E. (2003), considered that undoubted success of any trade brought direct connection with a consumer, without the participation of an intermediary – that is direct marketing. In the labours they explored the issues of forming direct contact with a client and concluding a profitable agreement with him, how to save present clients and attract new, how to plan an advertising campaign and successfully to conduct it.

However development of modern information technologies, introduction in activity of innovative approaches of sale of products requires from subjects entrepreneurial activity to use except the traditional forms of the direct marketing, yet and more modern forms. Exactly it and specifies on the necessity of realization of more deeper research of influence of modern forms of the direct marketing on activity of enterprises that is busy at the sale of products.

### **3. Methods**

To achieve the purpose and objectives of the article, the following research methods were used: of comparison, grouping and generalization, method of analysis of the systems and formulating of conclusions.

### **4. Results and discussion**

Forming and development of the direct marketing as an effective means or method of realization of sale of products began very a long ago, when the producers of the manufactured and consumer goods personally offered to the consumers to buy their products. In those times the concept "direct sale" or "direct marketing" was not yet separated, but basic methodology that now describes these terms used and brought a corresponding effect. The so-called "intermediators" of their products were or producers themselves, or peddlers or travelers who bought goods and resold them in other countries. The XV century is described by appearance of postal organizations in Europe and use of the first catalogues that contained information about the products of producers, and later catalogues with the list of scientific editions and books.

Already in the XIX century the "direct marketing" as a concept was entered in life and described the special technique of realization of direct sale to the consumers on attractive prices. The analysis of scientific doctrines showed, that at this time were published the first catalogues, which allowed to give up services of mediators and for the increase in demand of consumers, considerably to mark down prices. Exactly Aaron Montgomery Ward (1843-1913), American retail salesman, the first began to use the technique of direct sale: buying goods, he placed them in postal catalogues and resold to the clients. Just such a mechanism allowed to him to create yet greater loyalty for the clients and attain successes exactly with this sphere. In 1967, Lester Wunderman defined the term "direct marketing" as modern activity from adjusting of direct connections between the suppliers of commodities and services and consumers. He is considered the father of the modern direct marketing, which has a great number of features and advantages in order that success had any business at the market.

Certainly, with the increase of amount of researches of research workers of concept «direct marketing» tested substantial changes. Will consider the looks of different scientists in the table 1.

**Table 1.**

*Looks of research workers to interpretation of concept «direct marketing»*

| <b>Author, source</b>                           | <b>Determination</b>   |
|---|--|
| Balabanova, L. (2012)                           | Direct marketing shows by itself direct communications with the selected certain buyer, more frequent all as the individualized dialog with the purpose of receipt of immediate review or realization of agreement.  |
| Harkavenko, S. (2002)                           | Direct marketing is the direct socializing of salesman/producer with an eventual buyer, counted on a certain reaction by the use of various facilities of communications (a telephone, television, advertising, is in the Internet, catalogues).   |
| Hrigorchuk, T. (2007)                           | Direct marketing is interactive application of marketing, which uses one or a few publicity transmitters for realization of measureable reaction/or transaction in any place.  |
| Zozulev, A., Kubishev, N. (2011)                | Direct marketing is a process of distribution of commodities at the market which foresees establishment of the unpersonal direct interactive contact with consumers.   |
| Etzel, M.J., Walker, B.J., Stanton, W.J. (1991) | Direct marketing - as using advertising to contact consumers who, in turn, purchase products without visiting a retail store.  |
| Kotler, P., Armstrong, G. (2011)                | Direct marketing is marketing through various advertising media that interact directly with consumers, generally calling for the consumers to make a direct response.  |
| McFadden, R.D. (2014)                           | Direct marketing is a form of transmission of suggestion, when organization directly communicates a preliminary select buyer, to get a direct answer.  |
| Stone, M., Davis, J., Bond A. (2003)            | Direct marketing is planned continuous realization of account, analysis and supervision of relation consumer, expressed as a direct review, with the purpose of making of future marketing strategy, development of long duration positive relation of clients, and also providing of the protracted success, in business. |

Each of – for considerable research workers tried to interpret the direct marketing in accordance with his end-point, but all of them considered that it was instrumental in establishing of personality connection with consumers, during which formed a necessity to buy the product and ultimately benefits both for a salesman and consumer.

The scientists, Balabanova L. (2012), Garkavenko S. (2002), Kotler P. and Armstrong G. (2011) specified on that, the direct marketing is form of communication connections. Robert D. Mcfadden (2014) and A. Zozulev (2011) describe the direct marketing, as a process or mean of distribution of products through establishment of direct contact with an consumers, to get an immediate answer. William J. Stanton, Michael J. Etzel and Buce J. Walker (1991) specify in the researches, that the direct marketing is advertising, that has an effective influence in opinion of consumers and helps them to choose a necessary products.

Certainly, it is not total research of scientists which probed development of the direct marketing and its interpretation. Most, the direct marketing is used in the USA and some European countries, where there are more possibilities and prospects than in Ukraine. Nevertheless, Ukrainian direct marketing tested substantial changes also, and to it same promoted development of information technologies and business techniques.

At the beginning of development of the direct marketing in Ukraine, enterprises were used by more traditional forms of sale products – personal sale, direct mail marketing (postal deliveries of letters). But afterwards, innovative approach to sales management, which consisted in the special attitude toward the needs and demands of consumers and increase of amount of volumes sale, assisted the use of more modern forms of direct sales, such as: Internet marketing, content marketing, SMM marketing (marketing is in social networks), e-mail marketing, SMS marketing, experimental marketing, catalog marketing, etc.

Clearly, that each the noted forms of the direct marketing has the advantages and disadvantages, and also needs the special terms of the use in sale activity of enterprises. So, Internet marketing, is one of the most popular forms of direct marketing, which today has plenty of methods to promote the company's products in the Internet environment. Basic advantages of this form is interactivity, simplicity of the use, maximal scope of audience, informing. In relation to failings, it is foremost desirable to specify on certain high cost, because development of page, its filling, and start of advertising requires certain charges from enterprises. Also, the significant disadvantage is an increase of competition, which can influence not only the reduction of the target audience, but also on effectiveness of enterprise. It does not follow to forget and about the observance of copyrights and norms and rules of conduct of business in accordance with standards. Since, a consumer at the market values quality and safe goods and services offered, businesses need to be careful, especially, when it comes to fraud.

Content marketing is a modern form of Internet marketing, which is directed on organization of effective advancement and increase of having a special purpose audience through informative gap-fillingness of sites, which is instrumental in motivation, studies and informing of target audiences. Advantages of this form is a receipt of the most complete information about products, services and activity of enterprise, speed of finding of necessary information, promotes status, greater scope of having a special purpose audience. Failing is high cost, requires a permanent update, the receipt of result does not guarantee.

SMM marketing, social marketing or marketing in social networks, today is the powerful instrument of the direct marketing for enterprises, in fact it helps to put right effective contacts with potential customers in social networks, with the purpose of advancement of brand, products and services. The advantages of this form is a cheapness (low costs for the organization), social co-operation of users, interactivity as mean of greater access to information, aimed at a target market with the personal interests of users of site. In relation to failings, it is here necessary to mark the cost of time of maintenance of social networks. The permanent monitoring of visit, comments, answers to questions, placing of information, requires from developers to outlay much time, that advancement gave a result. Also trust of users, loyalty of customers sometimes can be undermined by false reviews of fraudsters or competitors, So, the enterprises should pay special attention to the confidentiality of information and creation of copyrights on advancement of products through social networks.

E-mail marketing is advancement of information about goods, services and activity of enterprise, through letters sent by e-mail. This technique allows to improve sales, amount of clients, on to adjusting of connections. The disadvantages of this form is that not all users daily check up mail and read letters, and therefore it will be difficult to analyze the effectiveness of e-mail marketing. Certain, for correct registration of emails necessary to attract leading specialists, and this entails additional costs. Another disadvantage may be the presence of spam-filters, which lead to the removal of suspicious emails.

By the next effective mean of adjusting of contacts with an audience, advancement of commodities and effective sale is SMS marketing. It is an instrument, that allows to carry out mass delivery of information plenty of users. The big advantage of this form of the direct response marketing is that today all customers have mobile telephones, and can read sms even without connecting of the Internet. Also advantage is to receive information whether the recipient has read the letter, which in turn helps to analyze the number of informed consumers and the ability to receive immediate feedback. The disadvantages of this form are that usually sms messages are too compressed and does not give sufficient information to consumers, it is also not possible to place a picture or photo next to the text, which would be instrumental in the greater personal interest and also in some cases sms messages can be perceived as a spam.

The experimental marketing (marketing of bringing in) is a form of direct marketing, which helps target audiences on the basis of acceptance of participating in the special seminars, webinars, exhibitions and fairs, to get all necessary information about products, services, promote the knowledge about a brand, to deepen loyalty and to find out a trust, and also to extend a client base and form proof of long duration relations. The disadvantage can be that the experimental marketing requires a lot of time and efforts on organization of process of advancement.

No less important, although it is considered one of the oldest methods of the direct marketing in relation to the sale of products, there is marketing after catalogues. Yes, this form is outdated, but probing activity of large organizations, which scored a success at the market all of them have in the arsenal exactly catalogues, which are gap-filling all necessary information about products and services which are offered to the customers. Catalogues, as a rule sent or by ordinary mail or e-mail, to those customers, which carried out the purchase of commodities of organization or visited a web site. The advantages of catalog marketing are a choice of goods by store, possibility of the detailed study of information about a product, choice of wide spectrum of products, wide scope of market. In relation to failings, it is here possible to select the costs of catalog design, a direct contact absents with a customer, protracted cost of ordering goods

All described forms of the direct marketing certainly are not the unique. Investigational, and already used and other varieties of instruments of the direct marketing, which are constantly perfected and create more advantageous terms for realization of sale of products. But that not less than a necessity is a selection and ground of some features of the use of the direct marketing exactly in sale activity of enterprises.

The world develops, new technologies are created, the innovative going is developed near the processes of bringing in and maintenance of clients, facts are inculcated more, more progressive methods of advancement of products at the market. In accordance with it, for enterprises there are new possibilities for development of the business, increase of base of buyers, increase of volumes of sale and providing highly of level of competitiveness. Exactly direct marketing, the use of his instruments is given by possibility effectively to plan, to organize and carry out the sale of products.

Consequently the features of the use of the direct marketing in sale activity of enterprises are:

1. Possibility to promote anything: product, favour, brand, name. All enterprises and organizations planning marketing activity, developed by the proper strategies, which will help them to develop the business and position themself at the market. Certainly, first of all, it depends on select direction. Introduction of instruments of the direct marketing will help an enterprise to attract attention on computer-integrated objects, that next to a commodity, to examine a brand, service, sale, etc. So, for an example, the Ukrainian company Premium FOOD (Mr.Grill), thanks to the forming and use of

on-line trade was able not only to triple sale of products, but also to organize the effective service system and present their products, brand on the large markets of the USA, Europe and Asia. (5th annual BIG – Trade-Marketing Show – 2021: “In all heavy”).

2. Reduces the risk of intercept of information competitors and requires less charges on advertising, than MASS-MEDIA. In modern terms, the Ukrainian market is supersaturated similar goods, so enterprises are try to search for the most optimum going near informing of users about advantages of products, using more economic methods of advancement. Presentation of information in the Internet environment does possible, accelerates the process of distribution of information, helps to increase a having a special purpose audience and at the same time provides charges on marketing less than, if an enterprise used the traditional forms of the direct marketing, such as television, newspapers, magazines, etc. For example: the managing director of LTD. «Solomia», at 5th annual conference of Big – Trade-marketing Show – 2021, that took place in Kyiv (02.2021) noted that the leader as an advertising tool for direct sales as opposed to television was the Internet channel and also Chrome, Viber and YouTube. In particular, in September of 2020, rating of their scope attained 99%.
3. The indexes of the direct marketing are easier measured and analysed. Through the use of instruments of the direct marketing, establishing direct contact with an audience, enterprises must possibility get an immediate review, answer in relation to the decision of user, to purchase the offered commodity, get a reaction on the presented information or possibility to probe future expectations of consumers. By creating an appropriate database about clients, enterprises can at once analyse the indexes of work, define next steps in relation to work with clients.
4. Direct socializing with a having a special purpose audience, creation of trust, increase of loyalty of consumers. This feature is a very important factor, which influences on forming and increase of client base (target audiences). So, for an example, Ukrainian company, brand «Rodinna kovbaska» which produces meat and bakery products with the help of mobile marketing (in particular Viber) inculcated in sale activity a chat boat, that enabled to define the most popular products for users and personalization suggestion. The company on a production and sale of build mixtures of «Henkel Bautechnik Ukraine» and TM «Curtis» is a producer of vitamin teas, marked that, thanks to the introduction of marketing in social networks, managed to automate communications with consumers, to increase an audience, promote the value of brand in the eyes of consumers, and also to promote the planned indexes of sale of products. (5th annual BIG – Trade-Marketing Show – 2021: “In all heavy”).



5. Facilitates the process of segmentation and keeping, aiming, on a concrete group, increase of having a special purpose audience. Segmentation is a process of distributing of users in accordance with their interests, necessities, social and behavioural characteristics. Creating the groups of consumers the direct marketing allows to pick up such marketing's programs, which will take into account necessities, commodities and instruments which will be able positively to influence on the conduct of users and lay their attention. Also the proper bases of clients, help in the analysis of work of enterprises and subsequent contacts with select segments, determination of price strategy, etc.
6. Adjusting of long duration mutual relations. So as, the direct marketing is based on forming of direct contact with consumer, the process of cooperating with him must be based on the stage-by-stage decision of questions, which touch informing, offering to him of products or acquaintance with activity of enterprise not only, and also with the subsequent ways of collaboration, because from positions of the direct marketing – a consumer is a «mean» which will provide an income and protracted development of business in the future.
7. Possibility of creation an effective database is about the clients of returning to the collaboration of the lost and «forgotten» clients. A database is the organized array of information about permanent (or potential) buyers, including information of geographical, demographic, psihografical nature, and also information about a purchasing conduct (Balabanova, 2012). Such databases provide an opportunity to improve tactical approaches to work with customers, reduce the cost of maintaining sales staff, resume work with customers who have a low purchase frequency, improve work with customers by organizing regular deliveries of products, according to deadlines, etc.

## 5. Conclusions

The analysis of scientific labours and researches in relation to the use of the direct marketing in activity of the Ukrainian enterprises rotined that the direct marketing was the special form, process, method of effective realization of sale of products, in the modern business conditions.

The modern forms of the direct marketing are considered in the last few years attained progressive development, purchased new innovative kinds, which not only facilitate the sale of goods and services at the market, but also allow to form effective, direct of long duration relations with consumers, to choose effective marketing strategy and program of actions, which influences on informing of market environment, growth of having a special purpose audience, increase of volumes, sale and expansion of limits of realization of business.

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