

NAME(S):.....

TOOLS OF DIRECT MARKETING

A travel agency, with more than 100 outlets throughout Australia, views a direct and/or online marketing approach as a great opportunity to hold more clients, win new business and increase overall sales. However, they cannot agree on which particular tools to use – refer to excerpts of their manager’s meeting below – can you help them decide?

ACTIVITY/TASK

Justin:

I think that we all agree that it’s time that we broaden our promotional mix beyond just various forms of advertising. There are many other promotional alternatives for us. Today I’ll like to hear your views on which approach we should take.

Jake:

I’m a big fan of direct mail because it’s so visual and it’s physical. If we used an attractive postcard mailing that promoted the latest special deals, then that’s something that could be put on the notice board at home. That way all the family will see it over a period of a few weeks, which is important as holidays are a family decision usually made over a period of time.

Jane:

I like the general idea of direct mail, but I think there’s value in knowing more about our customers. That’s why I would recommend regular telesales. We could call customers and find out when and where they are planning to take their next. We could then contact them when they are ready to book with special deals on their preferred destinations. That way we are providing a value-added service, rather than just sending out generic letters.

John:

Well you could use both approaches – telesales first to find out more about their future needs, followed by a tailored direct mail offer at the appropriate time.

Julie:

I suppose we could do everything, but we do have a limited budget and telesales is quite expensive. That’s why I favor an internet-based approach. We could use our website to promote special deals, have more images, set up a chat room or a message board and then encourage our customers to visit the site through regular emails or an e-newsletter.

Jennifer:

All these ideas are fine, but they only target our existing customers – not new customers. So let’s use late night infomercials? We could get the material from hotels – so the production cost of the ads will be minimal. I’m sure that many people watching TV late at night in winter will

be attracted by images of beautiful beaches. All we would need to do is to promote a toll-free phone number and have staff answering the phone to close the deal.

Joe:

Sure that's an option, but to be successful you need to trigger their need recognition. Let's go after people who are already in the information search stage and are looking on the internet for holidays. That means investing in internet ads, sponsored links on Google, being on holiday comparison sites, and so on.

QUESTIONS

1. Outline the various direct marketing activities that are outlined in the above discussion.
2. In addition to the promotion techniques discussed above, are there any other suitable tools that you can add?
3. If you were part of the management team, what would be your recommendation? Why?
4. What sort of results would you expect from these additional promotional efforts?