Proper balance of direct response marketing and brand marketing for product and brand dominance in current market

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ABSTRACT

As the market place has emerged from small scale to a global scale it has also resulted in products and services of similar nature and requirements to come up in the same environment as geographical factors and economic factors had lesser impact on them as market kept developing. The concept of global village or globalization resulted in brands and companies to spread over the globe, as the factors like transporting the goods or providing services to far away destinations were not as big a concern for them anymore due to the advancements in technology in every aspect like that of transport and communication. This bridged the gap in the market which was observed in the early time. Products which were manufactured in one corner of the world were easily available in the other corner of the world alongside the products of the companies present there. This resulted in saturating the market environment and making it competitive. In such scenarios marketing tools become the important tools to distinguish and separate one product or service from other in the same market bubble. Direct Marketing and Brand Marketing emerged as the two big pillars of marketing campaigns. The objective of direct marketing was to establish direct channels of communication with the consumers and convince them of their supremacy in the market like Google, Apple, etc. Whereas the objective of Brand marketing was to establish the brand as a name for itself in the market which resonated the ideas of reliability and customer satisfaction for those who were related to the brand name or those who were customers for the same like PVR cinema, TATA, etc. This paper has two aspect to it, first is the understanding of Direct Response Marketing and Brand Marketing and the other aspect is the proper utilization of both the tools in the designing of a marketing campaign for a product or a service provided by a company.

Keywords— Direct Response Marketing, Brand Marketing, Personal Factor, Psychological Factor, Social Factor, Globalization, Consumer, Campaign, Channels and Marketing

1. INTRODUCTION

As it has been aptly explained by the economic times, "A market is defined as the sum total of all the buyers and sellers in the area or region under consideration." [2] But due to the globalization, the buyers are sellers are not bound by area and are available all over the world, taking in consideration of large-scale industries.

The products in such scenarios have a higher competition and their success in the market can be marked and understood by the trends of their consumer. In other words, it would not be wrong to state that the consumer has the power to decide the success or failure of a product in the market. The tools of marketing come in importance, in these competitive scenarios, where there is a need to establish an identity of the product. Marketing actually influence the views of the consumers for a product or a service. The best definition of marketing can be taken from Merriam-Webster as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably." [3] or as "the process or technique of promoting, selling, and distributing a product or service." [4]. both the pillars that are direct response marketing and the brand marketing have to be used in correct ratio to establish a good and respectable identity of the product or the brand.

2. HISTORY OF MARKETING

Marketing tools and strategies which are observed in current times, started developing properly since the historical landmark of the Industrial Revolution in Great Britain. This phase in the history which lasted for 40 to 50 year evolved the scenario of market and was the result of the competitive and dynamic nature of the market that we observe in current time. Industrial Revolution brought mass production of products and created a vacuum of demand in the market which was never observed before. This vacuum, coupled by mass production encouraged more companies to step in and start making their place in the new market which was coming into focus and in turn not miss out on the profits which were inevitable. [5] It should not be mistake that there were not flaws in this model of the market, but it was through this model, that marketing of the products and brands started to take priority along with the production of the good. As due to industrialization the effort and time spent in production reduced and the quantity of good produced increase, the need to create a bigger vacuum for the products increase as production rate was big but demands were low. To even the sides of supply and demand companies started marketing their products. Initially giving importance to brand marketing as they realized that if the name of the brand was

recognized the product would rise on the identity of the brand and would have higher requirements. Though this model of marketing worked for a long time, but as the market started to saturate and become more competitive, it was clear to the companies that the techniques had to be changed.

In the mid-19th century, with the end of World War 2 and start of the boomer generation the demands with a stable life also increased. This resulted in a cut throat market model, in which the products, services and the brands which could not retain and establish their identities lost their place in the market. To overcome this, proper tools of marketing started developing and alongside direct response marketing also started to take form. [6]

As the times evolved the techniques of marketing also evolved and we finally end up with the two big pillars of marketing which were termed as brand marketing and direct response marketing.

2.1 Direct Response Marketing
It focuses on quantifiable and measurable responses from the users of the products of services provided by a particular brand. It provides the facility for the delivery of call of action and required data outcome via direct interaction from the consumers in the form of survey and feedbacks. [7]

In a study of market, it has been observed by companies that direct response interaction with the consumers directly achieves a success rate of 4.4%, compared to 0.12% by other forms of marketing. Overall, the DMA found that direct response rates are actually anywhere from 10 to 30 times higher than that of generalized digital marketing without focus on the target audience. Global direct mail advertising services market had reached to $25 billion in the year 2015 in United State of America.[8] Hence it can be concluded that all the aspects of direct marketing that are physical like direct mail or digital like email have their importance according to the target audience.
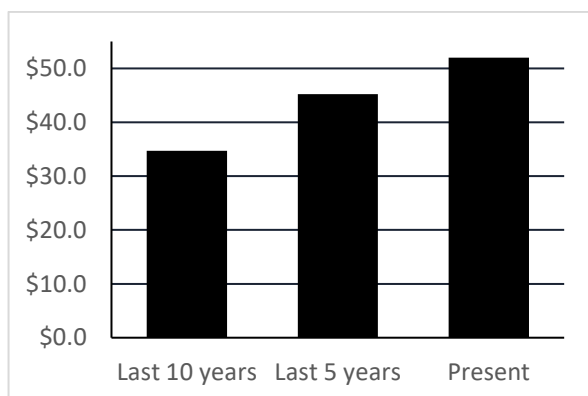

Fig. 1: Estimate Expenditure on Direct Marketing by companies in the past 10 years

Growth of Direct Response Marketing Strategies and Tools in the years [9]
Phase I: Initial Establishment of Marketing
Duration: Before 18th Century
Events: In this phase, marketing started to be used for making the products popular. However, the market was not so aggressive and the competition was low.
- Print Advertising, 1450s: It made it possible for retailers to pass out brochures and fliers to potential customers.
- Magazines, 1730s: The first magazines were developed and released.

Phase II: Utilization of Brand Marketing
Duration: During 18th Century till mid-19th Century
Events: In this phase, industrial revolution resulted in the boom of products flowing into the market, and Brands started to identify themselves and tried to create their own identity with a larger consumer base. Thus, the establishment of Brand Marketing.
- Billboards, 1867: People began renting billboards for advertising.
- Radio Advertising, 1922: Businesses began purchasing advertising time on the radio.
- Television Advertising, 1941: Records indicate that people began purchasing television advertising at this time.

Phase III: Boom of Direct Marketing
Durations: Till date
Events: The Loyalty of the consumer reduced and the consumers started to change brands according to their heart and requirements. This pushed the companies to start target oriented marketing and create clear channels between them and their consumers for keeping them in the loop and providing them special offers.
- Telecom marketing show a boom in this phase and resulted in higher success rate. Marketing Campaigns started targeting their audience via the digital channels like that of database marketing, guerrilla marketing, and email spamming.
- To create an informal atmosphere the companies started to create blogs as channels to share their information on a broader personal level.
- In the early 2000's, the concept of Pay-per-click surfaced. This idea of marketing enabled the companies to save their resources only for the clicks by their users. This gained a ton popularity and direct marketing started to dominate the market place.
- Later in the same decade social media boom was observed and then it became easier for the companies to connect to the users. Face Book and LinkedIn are good example of the same.
- Finally, Google came in with its analytic engine and started providing the data for the clicks, visits and other information of the consumers interested in products, to the companies or the brands which required it. This resulted in formatted and easy access of data which enabled companies to understand their clients and formulate strategies to win them over.

3. BRAND MARKETING
Branding is a concept that extends far beyond the marketing of "brand name" or simply the name of the company which is producing the product or providing a service. Branding can be defined as an identity of the company in the global market. It represents their market identity like who they are, what they do, what kind of quality they provide, their reputation for trustworthiness, and more. Establishing a brand in a competitive environment is always tough and has its challenges.

Brand Marketing targets a larger cluster of audience and has a requirement to reach more with less. A consumer has a single focus mind and can be influenced by the brand being placed in an important place, popular location or simply in other words seeing the product that they use holding importance in the world around them. The value in the Brand Marketing is not solely defined by the product or the service; it is also defined by the importance of a brand in the market bubble. For

example, Clothing from Big bazaar has less impact on a consumer as compared to that of from Allen Solly. Establishing the Brand Value in the market place is simply termed as Brand marketing.

As mentioned earlier brand marketing works with the concept of reach more with less. This falls short with the application of the principles of direct marketing, so in this scenario the marketing firms target larger audiences in the form of massive marketing campaigns which are generalized and are not personalized for individuals like advertising in movie theaters, brand banners on prime locations, sponsorship of the brand on esteemed events, etc. These campaigns have larger viewer-ship and establish the name of the brands in the minds of the consumers has successful and promising.

Following points increase the definition and use of brand marketing in today's marketing scenarios:
- Aims to establish strong brand recognition. It is required for the consumer to recognize the brand and create an independent image for the same with high regards. This interoperates as that when a customer is shopping for a product or considering a vendor for service, they should remember and identify the brand and relate it to their requirements and chose the products or services from the same brand. Consumer is more likely to select a brand that they recognize over a company which is fairly unknown, even if the consumer doesn't know the company details in depth.
- The establishment of a good identity of one's brand in the market provides that company a massive advantage over the others. It is the identity or the branding which distinguishing the company from the others in the market bubble. When customers recognize and back your brand, it helps lend a competitive edge to your company. The more recognition you receive and the more you build your brand.
- Proper branding of a company also enables the company to pave an easier path for in the likely scenario of introduction of new products. When a company already has a strong brand value and loyal consumers, the introduction of a new product is generally less expensive and tends to be more successful. As the image of the brand itself caries the product to the audience with reliability, even if the product is never tested by that target audience.
- The recognition which a brand builds over time and through proper brand marketing leads to greater customer loyalty. Once a strong brand is built, it is required to convey their generic values like reliability, durability and accountability, to build an emotional connection with customers in general. Brand loyalty often lasts a lifetime and even transfers to future generations.
- Creating a strong brand value enhances the credibility with customers and establishes a strong holding in the marketplace as a whole. Along with credibility, the brand also builds recognition, loyalty, and competitiveness. These all factors are directly proportional to each other.

The Brand marketing is a method which translates the values and the messages of the company to the consumers on a larger scale. It provides a larger viewer-ship to the marketing of the brand and can be brand oriented and not only focus on the product or service that they offer.

4. CONSUMER BEHAVIOR IN COMPETITIVE MARKETING ENVIRONMENT
Marketing is defined as "the activity, set of institutions, and

processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." by the American Marketing Association [15]. Apart from products or services provided in the market, the other fact which is the consumer is the main reason which drives and governs how a market develops for a product or fails for a product.

Understanding consumer behavior is a vital aspect of marketing. Consumer can be defined as a study of how people make decisions about what they buy, want, need, or act in regards to a product, service, or company. It is of utmost importance to understand consumer behavior to define the target audience of potential customers for a new product or service. It provides companies opportunities to identify opportunities that are not currently met in the market bubble.

Consumer behavior can be understood by the example of customer's eating habits, like that of dramatically increased the demand for gluten-free (GF) products in food industry. The brands that focused on the changes in the consumer's pattern of eating resulted in creating the GF products to fill a void in the marketplace. However, many other companies could not find the importance of this data and interpret in as a consumer behavior and were left behind in releasing GF products. Thus, it can easily be understood from the following that understanding consumer behavior allowed the companies to be pro-active in increasing their market share by anticipating the shift in consumer wants.

To fully understand how consumer behavior affects marketing, it's vital to understand the three factors that affect consumer behavior: psychological, personal, and social.
(a) Psychological Factors: In the routine life of a consumer, it has been observed that they are being affected by many issues that are unique to their thought process. These factors are termed as Psychological factors. Psychological factors can include perception of a need or situation, the person's ability to learn or understand information, and an individual's attitude. Every consumer would respond to a marketing campaign in a different manner based on their perceptions and understanding. Therefore, those who create marketing campaigns for the brands and products must always take these psychological factors into consideration when designing marketing campaigns. This enables the marketers to ensuring that their campaign would have a bigger impact on their target audience.
(b) Personal Factors: The factors that are characterized to a specific individual and may not relate to any other person within the same group can be termed as Personal Factors. These characteristics may include how an individual makes decisions, their unique habits and interests, and opinions. The personal factors are also influenced by other unchangeable factors like age, gender, background, and culture. These aspects of an individual are important as it gives the brand or company an insight and help them generalize and group similar priority and people with similar taste together in a specific target audience.
(c) For example, an elderly person would have different priorities and requirements as compared to a younger person, meaning their consumer behavior would differ and would result in choosing different products and would have differently spending trends.
(d) Social Factors: A society defines the boundaries of living stand for an individual and hence influences their choices, these factors which are governed by the surrounding society of an individual, is termed as Social Factors. Social

influencing elements are quite diverse and can include a person's family, social interaction, work or any group of people a person affiliate with. It could also include an individual in the same group of people with similar income, living conditions, and education level. The social factors are very diverse and can be difficult to analyze when creating a marketing campaign.

However, it is important to take into consideration the social factors in consumer behavior, as they greatly influence how people respond to marketing campaigns. For example, utilizing a famous actor or actress in a commercial can influence the consumer to opt for the product or service he or she are endorsing. These individuals who are use in these types of campaigns are termed as Influencers.
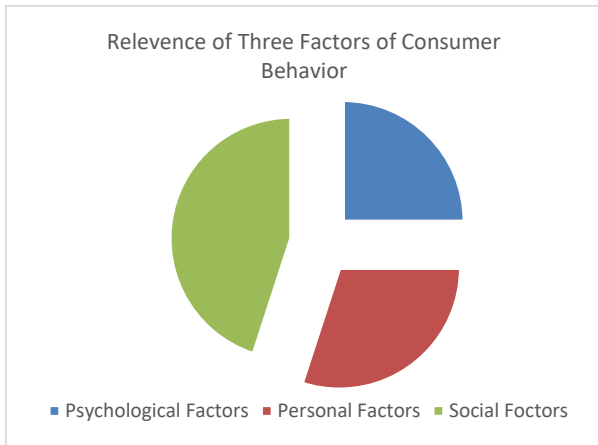

Fig. 2: Relevance of Three Factors of Consumer Behavior

Through various studies all over the world it has been attempted to understand the consumer behavior in a market environment. One of these studies which gained importance was the black-box model. It is based on external stimulus-response, interpreted as something that triggers the buying decision of a consumer which can be influenced by many factors like messages, promotions, and campaigns. [16]
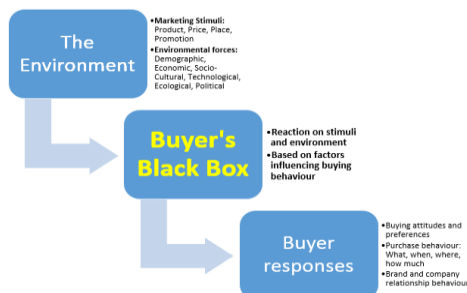

Fig. 3: Black Box Model Diagram [17]

When influenced by the personal-variable model, consumers make decisions based on internal factors. These internal factors may include personal opinions, belief systems, values, traditions, goals, or any other internal motivator. [18] Consumer behavior can easily understand by proper and systematic analysis of the data collected through reviews, survey, focus groups, keyword searches, comments and many more.

5. IMPORTANCE OF MAINTAINING A BALANCE OF DIRECT MARKETING AND BRAND MARKETING IN A MARKET PLACE
The art of maintaining a significant identity of the product both individually and as a part of a brand is key to dominating and

understand the market and using its elements for its financial and critical success with the consumers.

As previously discussed, direct marketing opens the channels of direct communications with the consumer and brand marketing establishes the values and ideals of the company with the general masses. In doing so the consumer through brand marketing starts recognizing the brand and provides the brand a value in the heart of the consumer. Whereas through the direct marketing the consumer establishes a relationship with the brand or the product and hence increase the loyalty for the brand as a whole or product and services provided by that brand.

We can clearly see the importance of both the methods or tools of marketing in a competitive environment, as in such an environment it is important to not miss on any opportunity to dominate the market place. As if even a small error in the judgment of the marketer in understanding the market and not using these tools efficiently can result in drop of business and worth case scenario result in the closure of the company or the brand itself. For example, Compact Computer dominated the market in the initial age of personal computer but could not sustain their identity as the market kept growing competitive.

6. UNDERSTANDING THE FIVE ELEMENTS OF THIS MARKETING MODEL
The concept to a successful marketing campaign for a company is to market both product and the brand with a link. Not all campaigns have to be about the product but a link or a connection is needed for the consumer to consider the product and the brand in the same basket in the market. Also, marketing is not only defined by the sale of the product but also by the value it adds to the brand and the value which in turn places the brand in the market strata.

The idea is to consider all the 5 elements of this model with importance and to work around them and to create value from them. The five elements of the model can be sub divided into two aspect which are as follows:

6.1 Tools of Marketing:
This includes the direct response, which connects directly with the audience and the consumer and establishes clear channels of communication and brand marketing, which reaches larger audience base and is generalized in terms of the personalized aspect of direct messages but still helps in creating a value for the company.
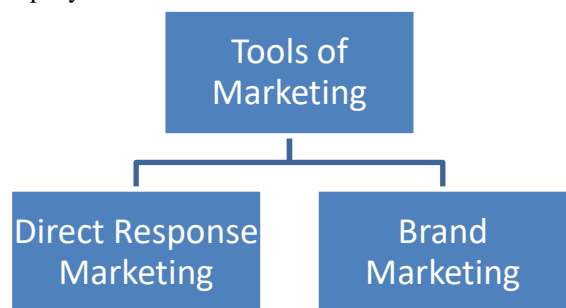

Fig. 4: Tools of Marketing

6.2 Influencing Factors
The factors of consumer behavior like Personal factor, Psychological factors and the Social factors make the last three elements of this marketing model. As explained before personal factors include criteria's like financial, age, etc. The Psychological factors include criteria like current requirements,

the thinking process of the consumer, etc. And finally, the social factors include criteria like current world scenarios, treads, etc.

These three factors are the backbone in defining and individual's trends in market and his nature of buy and expenditure trends can be estimated from these three elements of this model. Using these elements in the marketing campaign in a strategic scenario can influence and create value for the company in a manner which is more than expected.
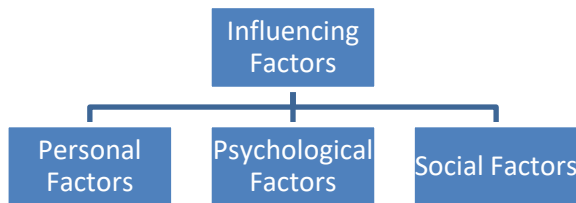

Fig. 5: Influencing Factors

7. MAINTAINING BALANCE BETWEEN THE ELEMENTS OF MARKETING MODEL FOR MARKET DOMINANCE

The base idea of the model is to maintain and recognize the five elements of this model. These five elements are proportional to each other and have a ratio which has to be maintained and used properly. The main action keys in this model are the two tools of marketing, direct and brand marketing. These tools are used to take action on the other three elements of the model which are the influencing factors. AS these tools are the action center of the model we would place them in the top of the hierarchy of the model.

Second level of the model would include the influencing factors on which the tools would be taking action. The direct marketing would be mainly governing the personal factors and the brand marketing would be taking action on the social factors influencing the individuals or the consumers. The personal factor would be checked and the individual would be grouped in the particular defined target groups according to the similarity in their conditions. Conditions like age, salary, buying preference, hobbies, etc. would be defining the target groups for the marketer to target with direct marketing. This method would reduce the massive audience into tangible target groups which can be targeted though personal messages, campaigns, emails, and other methods which would create an open channel for the company to interact with the individual and influence them directly.

The new consumer campaigns would run twice with a span of six months between them. This would result in the efficient cataloging of the target audience for the direct marketing. The ones that have registered successfully through new consumer campaigns would be moved to the loyalty campaigns. The loyalty campaigns would be of two types, short term loyalty and long-term loyalty. The company would provide small incentives to the consumers for choosing and moving forward with their brand in the short team loyalty which would be in the time span of 2months to six months depending on the activities of the consumers on the products of the company. The long-term loyalty would be on annul cycle and would have bigger rewards for the consumers who have retained with the company for an annual cycle and have gained higher loyalty points with the company. In between all this we would keep updating the database for individuals which have been responding to the successfully to the direct marketing

campaigns and would remove the ones that have not from the database. This would reduce the company's expenditure in maintaining a database and though direct click the cost of direct marketing would also reduce.

Moving to Brand marketing actions on the social factors which could influence the consumer. Brand marketing would not be selecting small groups of target audience but rather would be focusing on the massive audience packs. In this, social aspects like which style is trending, the political views, the ideas of governing market, etc would be used to select the places and the campaigning styles for the company. In this method the company would be targeting all the consumers thorough general advertising rather than contact them personally. This would establish a larger reach of the brand and would create a brand value which would not only be related to the product of the brand but rather the name of the brand and its popularity in the market due to prime location ads and famous people endorsing it.

The consumers which reach the company through this method would be included in the loyalty database of the brand and would then qualify for short term or long-term loyalty campaigns on the basis of their purchase history of usage of the brand product.

These both tools would take action on the psychological factors which might influence the consumer to select the product of the company which is marketing for itself. But the use of the tools in their conditions of the psychological factors would be direct marketing 30% and the brand marketing side would hold 70%. This ration of the division is defined due to the excessive studies of human nature. It has been established that the social factors have higher impact of defining a psyche of an individual rather than the personal factor.

The use of this factor would be observed when planning and defining both the direct and brand marketing campaigns. The brand marketing would establish the recognition of the brand in the larger market space and the direct marketing would create a sense of loyalty and belonging for the consumer to the famous brand and its products. These tools would influence the consumer in direct proportions and would result in a combined successful campaigning for the product and the brand.
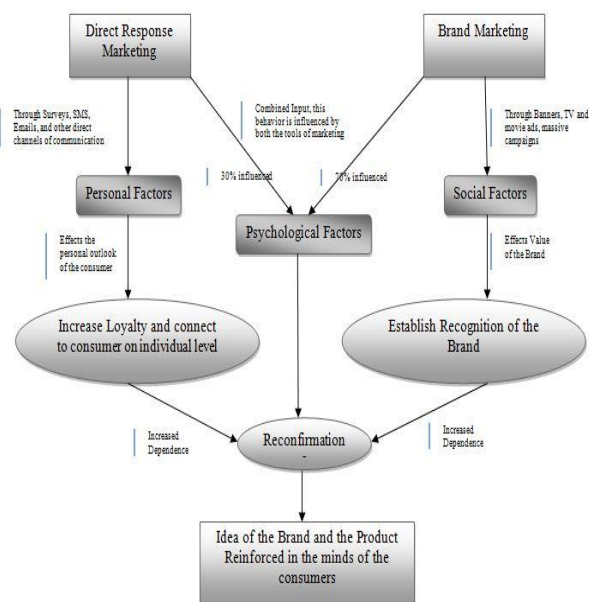

Fig. 6: Marketing model in Graphical form

8. MEASURE THE SUCCESS PHASE OF THE MARKETING MODEL
This marketing model can be easily observed and analyzed in three phase, which would be defined by the duration of time spend in marketing in this model.

8.1 First Phase
In would be in two months from the date the marketing has been started for the brand and the product under the guidelines of this model. The data gathers in this phase would be dynamic and would only give the idea of how future planning should be done. This phase can be ignored in case if incurred a higher cost for the company.

8.2 Second Phase
This would come in the six-month time span from the date the campaigns have started. This would be the first proper static data that we would receive. This phase data would provide us the true insight on the success or failure in the steps of marketing. This data would also help us recognize the cliental for the product and the brands.

8.3 Third Phase
This phase would be marked in an annual cycle and would provide the company detailed insight in the target groups and massive marketing campaigns which are generalized. The data in this phase would be static in nature and would make the foundation for the coming campaigns and strategy used by the company to customize this model to their requirements.

9. ALGORITHM FOR THE MODEL
The Essence of the marketing model can be understood by the following algorithm:

```
Start
Accept Indexed data
Segment on the Trends and actions
Loop 1 to check data
        If
Personal factors check out
Check Psychological Factors
        Then
        Define pattern of Usage
        If
Customer with Brand
        Then
        Direct to new campaigns
                If Remaining for 2months
Loyalty Campaigns
                (Min time 2months)
                (Max time 1 year)
                Else
                Direct to New Campaigns
                (Twice with a span of 6months)
        Else
        Define area of consumer
        Check Social fact of consumer
Check Psychological Factors
        Establish contact point for masses
        Establish influencers
Move to Brand marketing
        If Consumer starts with product
        Move the consumer to database
        Exit the Loop
```

Using this method higher success rate and better response to the marketing campaigns can be observed.

10. ADVANTAGES OF BALANCED MARKETING
Creating direct channels of communication with prospects:
(a) **Opening Direct channels of communication with Consumers:** The direct response campaigns are highly personalized and specify directly to the consumer which establishes more comfort for the consumer to directly connect to the vendors. In this mod data for the direct marketing and using both the consumer has a stronger relationship with the brand and the product which in turn results in a successfully marketing campaigns.

(b) **Higher Success rate and Higher Investment returns:** Unlike brand campaigning and Direct campaigning provides the company cost efficient methods as brand marketing only establishes the identity of the brand by the main focus is on the direct marketing which works on pays only for the clicks. This reduces the time consumption and provides higher success rate as it segments its target audience before the development of a campaign. The marketing data can be quantified, which helps the company to use it for generating more value for the product or the service. In the market which is dynamic and competitive, the use of direct and brand marketing provides more focus for the success in marketing for the product and the brand of the company.

(c) **Quantifiable and measurable results:** The data generated from all campaign, either direct marketing tool or the brand marketing tool can be easily quantified and used in the logic of the marketing model defined here wherever necessary. This reduces the unnecessary data and the company can focus its resources on the product development and use lesser resources for a more successful branding and marketing campaigns.

(d) **Securing a strong relationship with the customer:** The direct channels created in the market improve the experience of the customer with the product and service and provides a sense of loyalty and the brand marketing reconfirms their belief of their association with the correct brand in the market space. This method also gives the company the opportunity to break away from the traditional approach of contacting the consumer and has a free range to express themselves freely on both brand campaigns and direct campaigns.

(e) **Larger Reach with Higher Analytical Power:** Direct Marketing and Brand Marketing if used as defined above, results in a larger reach and also develops of a strong database of the consumers along side. This in turn utilizes all benefits of the tools used, brand marketing provides a larger audience and reach whereas the direct marketing isolate the data in smaller target groups which are easier to manage and analyze. This provides the company the power for a stronger analytical system which strengthens their marketing campaigns.

11. CONCLUSION
Direct marketing and brand marketing both have massive impact on the market in today's scenario. From the above, we can easily conclude that the objectives of both direct response marketing and brand marketing if overlap and used with each other in a proper ratio can result in a higher success rate and dominance of the product and the brand in the market space both on global and local levels. It would not be wrong to state that the benefit of this model would provide the company using

it, higher profitability, along with the static position in the competitive market space.

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BIOGRAPHIES

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