

DIRECT MARKETING AND MARKETING IN COMPUTER NETWORKS PLAN

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1. The Concept of Direct Marketing.

Direct or precisely targeted marketing (direct marketing) is an interactive means of disseminating information about a product and communications, through which sales are carried out individually to each potential consumer. Interactivity implies two-way communication between the sales manager, dealer, and other representatives of the company engaged in product distribution and responding to customer inquiries. Direct marketing is one of the effective tools for organizing sales. The role of direct marketing is so significant that often the capabilities of the enterprise are not as important as the capabilities of the manager directly engaged in sales. In direct communication, the main question for the customer is always: “Who are you, what can you do?” and only after that does the advertised item become of interest. **Sales practice shows that direct marketing has great potential.**

In the United States, 50% of the adult population places orders for goods or services via telephone, mail, or the Internet. Among them, women aged 18–24 make up the majority. The next largest group consists of consumers aged 45–54. Direct marketing is considered a primary tool for non-profit activities, such as fundraising, because it allows reaching out to hundreds of thousands of people. The goal of direct communication is to spark the consumer’s desire to engage in conversation and respond to the offer to purchase a product or service. The main advantage of direct marketing lies in personal interaction. People enjoy receiving attention from others. **“Selling is the art of changing people’s minds”** (M. Beng). The role of the sales manager is determined by their mastery of the target market, segment, positioning level, enterprise marketing, and methods of offering the product. When people feel deceived, pressured, or believe they have lost in the deal or received something that does not match their true desires, the opportunity to sell must be ruled out. According to researchers’ materials, female clients are considered the main source of job satisfaction for sales managers, while for male clients, on the contrary, they are regarded as a source of discouragement. Different perspectives on the feeling of satisfaction and joy from one’s work may determine various approaches to shaping personnel. Traditional,

basic marketing ensures customer readiness and the image of the product and manufacturer, while direct marketing, as a part of traditional marketing, directly ensures sales. Compared to traditional mass marketing, direct marketing is characterized by a number of advantages and features in influencing the consumer. It involves managing a responsive communication that encourages the customer to give a proper response to a special, targeted offer — something not present in traditional marketing, which is mainly based on simply informing the buyer. Direct marketing stands out for its individualized approach to each person targeted by a commercial offer. All elements of direct marketing are flexible in use, yet at the same time, they are measurable and controllable in terms of effectiveness. The results of direct marketing can be measured quite precisely by sales volume and directly compared with the efforts spent on attracting the customer. People must first “buy” you — only then can you hope that they will pay attention to the product you are offering. For this reason, if direct marketing is used as a preventive or temporary measure, its effectiveness decreases. It is necessary to clearly coordinate current actions with the long-term strategy of marketing efforts in the market. Poorly executed direct marketing can nullify all efforts made to promote a product. Classical marketing works with target groups and their aggregates, not with individual consumers. At the core of direct marketing lies the formation of a database about specific customers, and instead of relying on an average image, it takes into account the unique characteristics of each customer, considering market segmentation. The initial stage of direct marketing is to ensure the necessary reaction from the buyer to pre-sale activities, such as:

- making the first purchase,
- making a repeat purchase,
- buying more and more frequently,
- learning additional information about the company’s capabilities.

Any positive reaction from the consumer is important, as it provides an opportunity to establish communication with the customer. However, repeat purchases are of even greater significance. The share of regular customers and the volume of their purchases are considered a measure of success. The mass nature of consumers — tens of thousands of individuals and families — is a characteristic feature of the product market. For a processing enterprise, the opportunity to work with each individual buyer arises only through company sales. Therefore, the main target of direct marketing is retail and wholesale trade. During the stages of attracting customers and establishing communication, the following must be identified: who is needed, how to obtain information about them, what motivates them, how to establish contact, and which direct sales methods to choose. Information is never excessive; people especially seek more information when they need to make a decision.

Although most purchases are essentially routine, choices are often made automatically in favor of the supplier with the more reliable brand. Working with sales channels shows that product purchases depend on specific roles played by individuals: selectors, decision-makers, and initiators who carry out the purchases.

Setting the sales objective

Model of the Personal Selling Process

1. **Identifying and evaluating potential customers**
2. **Choosing the point of sale**
3. **Communication with customers**
4. **Evaluating the effectiveness of sales and interaction**
5. **Repeated communication with the customer to enhance satisfaction after purchase**
6. **Continuing communication with those who did not make a purchase**

Information received via mail and telephone, as well as walk-in visitors, are filtered by sales service personnel and secretaries. Initiators are individuals whose needs are directly met by the product. The company's management makes decisions regarding the purchase of the product and the selection of the supplier, while employees of the finance and material supply departments organize the purchases themselves. Direct responses (via mail, telephone, fax, Internet, and face-to-face communication) and indirect influence (advertising in print media, television and radio, and outdoor advertising) are considered the main tools for attracting customers in direct marketing. The cost level of direct marketing is high: it includes employee salaries, commission payments, transportation expenses, food costs, office expenses for accounting and organizing sales, and others. Therefore, the amount of customer acquisition costs must be comparable to the expected benefit — the "lifetime value" — derived from all purchases made by the customer throughout the entire period of the relationship, in accordance with modern partnership concepts. Practice shows that direct marketing can account for 35–45% of total marketing expenses. In the United States, the costs of this activity reach up to 60% of all commercial expenses justified by sales, and the number of people employed in the field makes up 10% of total staff. Direct marketing encompasses a variety of influence tools, such as direct response advertising via television and radio — where the message is designed to prompt a response in the form of a phone call. The requirements for gathering consumer influence tools are determined by the scope of communication, the cost of influence tools, the possibility of combining them, the customer's responsiveness, the duration of the influence, and the predicted effectiveness. Accordingly, under specific conditions, effectiveness is defined by what is considered appropriate — whether it's the cost per order, reducing overall expenses, or increasing the number of orders. To

conclude a single product sales contract, companies typically require 4–5 new personal interactions. The effectiveness of mail-based outreach drops to 3–10%, but in such cases, the cost per sale unit is significantly lower. Some efforts, although time-consuming, may not lead to success due to the lack of a positive response. Even the absence of a positive reaction from the consumer can ultimately be useful in evaluating the effectiveness of the measures taken. Consumers become aware of the product. At the very least, they retain superficial positive impressions that may be useful in the future. A letter, a phone conversation, or a direct message from the sales manager is perceived by the consumer only when they realize that there is a certain benefit for them. Therefore, it is an important task to provide customers with convincing advantages that highlight the strengths of the product and distinguish it from other products — these advantages must first be clearly defined.

The data set must answer the following questions:

- Who is (or will be) the customer, and how can reliable communication be established with them?
- What can customers purchase from competitors?
- What kind of motivation is needed for customers to buy specifically from you?
- How and through which tools can long-term communication be established?
- How can customers be retained? Where can other customers be found?
- When does receptiveness to advertising increase?

To identify patterns, take timely action, and work individually with each customer, it is necessary to maintain a dossier for all customers. The data set must include the following information about customers: general information about consumer behavior and profile; method and duration of communication; nature of transactions (orders, returns); sales indicators (order value, frequency and trends, date of last purchase).

The following data should also be considered:

1. Sales results and profit;
2. Information about the product (which goods are objects of commercial interest, what, where, when, and under what circumstances were purchased or not purchased);
3. Geodemographic data of customers based on their role in society and business;
4. Reaction to advertising to select the most appropriate influence measures;
5. Payment procedure, type, and duration.

When recording customers in the data set, the following should be indicated:

- Partner's name and address,

- Name and position,
- Nature of the transaction,
- Date and time of negotiations,
- Description of the customer's potential,
- Their requirements and preferences,
- Dates of previous transactions,
- Problems and prospects,
- Possible future communications.

Providing maximum service to regular customers is considered the main task of direct marketing. Competitors apply more skillful marketing approaches toward them. It has been calculated that attracting a new customer costs 5–6 times more than retaining an existing one. Practice shows that regular customers can generate a significant share of sales. According to the Pareto principle, 20% of customers should account for 80% of sales. Compared to the rest, we receive dozens of times more responses from these customers.

2. Communication Tools in Direct Marketing.

In direct marketing, the main focus is on establishing reliable communication links and receiving responses to commercial offers. For this purpose, tools such as mailings and phone calls may be used to reach both regular customers and individuals who have not yet expressed their opinions, as well as mass media and seminars. Up to 50% of direct marketing funds are allocated to mailings (direct-mail advertising). In addition to commercial offers, entrepreneurs regularly write letters of appreciation to their customers. The following reasons may serve as the basis for such written messages:

- To reinforce the results of direct communication or phone conversations, and responses to speeches.
- To reward customers on birthdays, special occasions, and anniversaries of joint activities. In this case, sending greetings for widely recognized holidays tends to be overused and less effective. However, if the greeting is for Independence Day or Constitution Day, the impact is significantly higher.
- To inform about the beginning of cooperation and any changes.
- To express gratitude for referrals and upon signing a contract.

The purpose of mailings (mainly letters) is to prompt action — to stand out among others, especially if the letter is engaging and the order form is half-filled.

When writing a letter, it is necessary to visualize the recipient and imagine yourself in their place. The opening paragraph should grab attention, and the second paragraph should explain the essence of the offer. It is important that the first line of the letter interests the customer and encourages them to learn more about you. After that, a solution to a potential problem the customer may have is presented, along

with evidence of how you have helped others in similar situations. The message concludes with an invitation to continue communication in order to exchange mutually beneficial information.

When reading a letter, the recipient typically pauses at 5–10 key points and spends an average of 20 seconds reading. Therefore, the benefit being offered should be expressed in such a way that it can be understood within 2–3 seconds, and the reader's attention should be directed toward reading the entire letter.

The reader's gaze moves along headings and highlighted sections. The address, brand name, date of mailing, and signature should be emphasized in bold font. Paragraphs should consist of 4–6 lines. A paragraph of 2 lines is perceived as a heading. Mailings should not be sent sporadically, but rather with the regularity of seasonal changes. The minimum frequency of letters is 3–4 times per year, but ideally, letters should be sent monthly. Otherwise, up to half of the customers may be lost.

The main principle of communication is conversation, with the customer and their needs at the center. In direct communication, it is often necessary to arrange meetings in advance, whereas a letter represents an unsolicited visit — which also has its own advantages. To establish and maintain communication, the letter should anticipate and answer a series of questions that may arise during reading:

“From whom? To whom? Why me? And do I really need what is being offered now?” It is important to experiment with incentive options (e.g., “Place one order and get the second at 10% off,” or “Buy twice as much at once and receive a 20% discount”). According to experts, even the way a letter is folded plays an important role in its appeal and in eliciting a response. Some marketers suggest that folding the letter in the form of a brochure is preferable, so that the headline becomes visible as soon as the recipient opens the envelope.

To emphasize the urgency of commercial offers, a telegram format can be used.

To ensure the reliability of direct mail advertising results, sample distributions must be representative. In the initial stages, the number of mail recipients may reach 30,000 to 40,000 people. The telephone plays an important role as a marketing intermediary. It can be used independently or in combination with other communication tools. Key marketing functions of the telephone include: building a database, receiving orders, providing individual consultations, classifying responses and inquiries, managing accounts, studying customers, products, and complaints, distributing information, establishing communication, and monitoring. Advantages of telephone communication include low costs, time savings, broad population coverage, and the preservation of benefits associated with other sales methods. To support telephone-based sales, calls are made to present commercial offers, confirm meetings, and offer service materials. Through telephone

communication, preparation for purchase, appointment scheduling, sales and offers — including random inquiries — are carried out.

Mass media (television, radio, print, and interactive technologies) also represent a form of direct marketing aimed at generating responsive reactions.

Many people spend a lot of time in front of the television. Sellers use television to create a “sofa store,” providing viewers with the product’s essence, price, and ordering procedure, along with phone numbers so they can make purchases from home. One drawback of direct advertising via television is the high cost of airtime, and the difficulty of conveying the essence of the sale within just a few seconds. Due to the speed of live broadcasting and lower costs, radio can be even more effective than television. However, limitations such as the inability to see visuals, the busy nature of the communication environment, and the lack of pen and paper at hand make it difficult for listeners to record useful information. All of these factors significantly reduce the impact of the message. Print advertisements typically consist of a message that provides information about the product, an order form, and a phone number for inquiries. The text should be short, clear, and accurate, evoke emotions, and guide the reader to respond via the provided phone number or address after reading the ad. At the same time, it’s important to remember that during reading, the received message may be distorted compared to its intended meaning.

3. Characteristics of a Direct Sales Manager.

Sales is not a simple activity — it requires serious commitment and full dedication. A sales manager is a professional role that demands both innate qualities and the mastery of specific techniques. For natural-born managers, selling becomes a means of personal development in relation to any object or subject of attention. A passive salesperson ends up at the tail end of a successful sales chain. For customers, the direct sales manager represents the face of the organization. If things are not going well within the company, the manager often becomes the scapegoat for insufficient sales levels, poor supply quality, and delayed payments. To this day, many believe that production is more difficult than sales (since it requires knowledge of equipment, technologies, and processes), and they assume that managers are either lazy or simply don’t know how to sell. However, practice shows that nearly all sales-related problems originate in production — such as poor-quality raw materials, outdated equipment, and especially the low qualifications of staff, including technologists.

The prosperity of customers must become the core position of the sales manager — only then can they evolve from a seller into a true partner. Therefore, the following qualities are of great importance:

- **Self-respect**
- **Analytical abilities**

- **Sociability**
- **Uniqueness of the offered product**
- **Credibility of the offer**
- **Pragmatism in achieving sales**

Self-respect is expressed through the determination to secure orders at any cost, along with confidence and enthusiasm in the belief that there is no shortage of money or customers. After all, someone is always buying something from someone. A manager must possess a winner's mindset, which tends to influence those around them as well. No matter the circumstances, one should never consider themselves defeated. Practice shows that the feeling of being right is often more important than being objectively right. A manager's compensation is tied to results. Therefore, they should be held to high standards of living that can only be achieved through performance-based outcomes. In direct marketing, selling must become a way of life, regardless of the situation. Sales — even if it contradicts conventional practice — is, in essence, an act of creation (G. Goodman).

4. Network Marketing.

The most modern and rapidly developing form of direct marketing is associated with the use of computer networks and the concept of electronic commerce.

Interactive marketing is carried out through interactive computer services that provide information services in real time. For fast-paced marketing, systems that enable two-way electronic communication between the seller and the buyer are used. The buyer's computer (or television-based Web machines) is connected to various services via modem and telephone lines. There are two types of interactive marketing channels: commercial online information services and the Internet.

Interactive Marketing and E-Commerce

The most advanced and fast-growing form of direct marketing is linked to the use of computer networks and the concept of electronic commerce.

Commercial online information services provide marketing services and information to their subscribers in real-time in exchange for a fixed monthly fee. The most popular of these services are America Online, CompuServe, and Prodigy, with subscriber counts of approximately 8 million, 2.5 million, and 1 million respectively. These commercial online information services offer subscribers essential information (news, libraries, education, travel, sports, directories), entertainment (games and more), and shopping services. They also facilitate communication among subscribers (electronic bulletin boards, forums, chat rooms) and provide email services. By clicking a few times with a mouse on a home computer, subscribers can order a wide variety of products and services from relevant catalogs. Additionally, they can perform various banking operations at

local banks, engage in investment activities through different brokerage firms, order airline tickets, book hotel rooms, rent cars, play computer games, participate in quizzes and contests, access consumer ratings of various goods and services, check sports results and statistics, get weather forecasts, and exchange email messages with other subscribers.

Rapid Development of Interactive Marketing

In recent years, several major Internet marketing systems have failed due to extremely high subscriber numbers, low engagement, and overly complex purchasing processes that led users to revert to traditional shopping methods.

The first rapid information and electronic purchasing services emerged in the United States. Despite the fact that Internet usage and interactive marketing are still in the formation stage, their development is dynamic and fast-paced. According to a recent study, 78% of the population aged 16 and older in the U.S. and Canada have used Internet services. Additionally, 26% of the adult population uses various services provided by commercial online information platforms such as America Online and CompuServe. Currently, approximately 2.4 billion people worldwide are Internet users. Figure 1 illustrates the scale of Internet usage in leading countries. According to expert estimates, 49% of Russia's adult population (about 57.1 million people) uses the Internet daily. Some analysts predict that by 2020, around 26 billion devices will be connected to the Internet globally, and 6.1 billion subscribers will access the Internet via smartphones. This will drive the rapid expansion of mobile Internet, and within five years, 90% of the planet's territory will be connected.

Although the majority of global interactive marketing activity is concentrated in the United States, and the Internet has not yet fully become the primary channel for moving goods toward the market, European manufacturers cannot afford to ignore these new technologies. Internet users visit the web for various reasons: out of boredom, for entertainment, to stay informed, or to meet practical needs such as education and work. With the development of the Internet, manufacturers have gained the opportunity to work with increasingly broader demographic segments.

For example, over the past two years, the proportion of women among the "Internet population" has nearly doubled and now accounts for 41%. Although the majority of Internet users are still professionals and managers, their relative share is gradually decreasing due to the growing presence of amateur users.

5.The Role of ICT in Effectively Organizing Marketing Activities.

Currently, in the global economy, the role and significance of ICT (Information and Communication Technologies)—which includes the production

of computer and telecommunication technologies, software products, and the provision of a wide range of interactive services based on them—is steadily increasing. As a result, every year a global ranking is compiled among all countries based on unified development criteria for ICT, known as the ICT Development Index (IDI). A total of 176 countries participated in the ranking, with Iceland taking the first place. Over the year, the average IDI score across all countries increased by 0.18 points, reaching 5.1 points, marking the first time such growth in this measurement has been observed. Among global regions, Europe leads in ICT development with the highest score of 7.50 points. In the Americas, the IDI ranking is led by the United States and Canada. The winners of the IDI ranking are presented in Table 1.1:

The development of ICT (Information and Communication Technologies) has a positive impact on a country's overall competitiveness across all sectors. This is because favorable conditions have been created for collecting, summarizing, and efficiently managing large volumes of information. As a result, it directly contributes to the rapid growth of the national economy, and the use of ICT in enterprises leads to increased marketing effectiveness.

Winners of the IDI ranking among world regions

Rank	2014	2015	2016	2017
1st	Denmark	Republic of Korea	Republic of Korea	Iceland
2nd	Republic of Korea	Denmark	Iceland	Republic of Korea
3rd	Sweden	Iceland	Denmark	Switzerland

Table 1.5.

Based on global experience, the development of this sector in our country is being carried out within the framework of the Comprehensive Program for the Development of the National Information and Communication System of the Republic of Uzbekistan for the years 2020–2030. The goal of the program is to further expand the application of modern ICT across all sectors of the national economy, ensure the rapid development of information resources and networks, and promote the expansion of interactive public services provided to entrepreneurs and the population. In organizing marketing activities effectively, bringing products and services to market, and studying consumer needs and preferences, ICT serves as a key tool. Its main functions include:

- Developing and applying methods to study purchasing potential, taking into account consumer demand for products and services.
- Identifying and evaluating the competitiveness index of products and services produced by the enterprise.
- Determining consumer demand for products and services and calculating growth dynamics.
- Identifying market demands that competitive enterprises are unable to meet.
- Developing innovative approaches for distributing enterprise products through appropriate sales channels.

Marketers should not only focus on identifying customers and their needs, but also stay informed about their competitors, the services they offer, and the economic situation both nationally and globally. Such activities are of immense importance in the operations of large enterprises and companies. In developed countries, the following measures are applied when using ICT to effectively organize companies' marketing activities:

- **Analyzing the external environment**, including product sales and delivery mechanisms. Based on the results, factors that support or hinder business activities become clear. This helps resolve existing issues, make necessary marketing decisions, and build an ICT-based data bank.
- **Using ICT to analyze demographic, financial, and geographic data** of customers who are capable of making purchasing decisions during comprehensive consumer research.
- **Applying ICT in the creation of new services**, updating old systems, and planning existing services.
- **Using ICT to plan the distribution and sale of finished products.**
- **Utilizing ICT in advertising the enterprise and its products**, as well as organizing prestigious non-commercial events.
- **Applying ICT in pricing strategies**, including price planning and calculating discounts.

- **Using ICT to manage marketing activities as a system** and to develop marketing programs.
- **Employing ICT to assess market risks and revenues**, and to calculate the effectiveness of marketing decisions.

One of the most advanced methods of managing enterprise marketing activities in the modern economy is the effective use of Internet technologies. Today, implementing these technologies in practice and defining strategic approaches has become one of the most pressing tasks. By establishing information exchange between companies and their clients or partners, enterprises gain significant opportunities to organize and deliver services efficiently, attract valuable customers, and create convenience for them

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