

Analyzing direct marketing policies (tools), and its suitability for application in Algerian companies.

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Abstract: Nowadays, marketing faces important challenges associated with the emergence of internet, social network media the decline of mass marketing and the high expectations of customers. Among these continuous changes, Companies need to abandon old approaches and address target audiences through new direct marketing media such as (phoning or telemarketing, m_mobile, direct mail, direct response advertising, interactive and on line marketing...).

The purpose of this paper is to provide a review of the development of direct marketing discipline and outline the symbiotic strength it

The research concluded that the use of telephone is the most useful technique used in direct marketing by banks in setif market. And that was followed by the face to face selling, then direct mail, catalogues and finally the internet (e-mail, e_catalogues, e_coupons ...).

The research recommended the necessity of developing abilities and possibilities for the companies in the field of the internet and electronic commerce .

It's obvious, that Direct marketing in Algeria is still in its introduction stage of development. Using target individual customers approach is still at a minimal level. And most companies in Algeria utilize direct marketing for business-to-business contacts.

Keywords: markeing, social networks, direct marketing, banks.

ملخص: يواجه التسويق في الوقت الحاضر تحديات مهمة مرتبطة بظهور الإنترنت ووسائل الشبكة الاجتماعية وتراجع التسويق العادي وزيادة توقعات العملاء. ولمواجهة هذه التحديات، يتعين على المؤسسات التخلي عن المقاربات القديمة والاستجابة لمتطلبات الجماهير المستهدفة من خلال وسائل التسويق المباشر الحديثة مثل (الاتصال الهاتفي أو التسويق عبر الهاتف، البريد المباشر، إعلانات الاستجابة المباشرة، التسويق التفاعلي). تهدف هذه الورقة البحثية إلى تقديم استعراض لتطوير نظام التسويق المباشر وتحديد القوة التفاعلية له. وقد خلص البحث إلى أن استخدام الهاتف هو الأسلوب الأكثر فائدة في التسويق المباشر من قبل البنوك في ولاية سطيف. يليها مباشرة تقنية التسويق وجها لوجه، ثم البريد المباشر، والكتالوجات، فيما احتلت الانترنت المرتبة الأخيرة.

يوصى البحث بضرورة تطوير إمكانات المؤسسات في مجال الإنترنت والتجارة الإلكترونية ، من الواضح أن التسويق المباشر في الجزائر لا يزال في مرحلته التمهيديّة وبحاجة إلى تطوير، كما أن استخدام مقارنة الاستهداف الفردي للعميل لا تزال في أدنى المستويات حيث يستخدم التسويق المباشر في الجزائر في الاتصال بين المؤسسات فقط. **الكلمات المفتاحية:** التسويق، الشبكات الاجتماعية، التسويق المباشر، البنوك.

INTRODUCTION:

The global market has changed, the great demand on consumer goods led to the revolution of mass production to fulfil customer wants. Nowadays, there is a surplus of goods and an abundance of places to buy. The customer has become the monarch again, and those financial institutions that do not recognise this change and accommodate their marketing strategy to it, they will face danger of failure.

Marketing used to be applied to the masses. When its poor outcomes outdated it, marketing was then aimed at smaller groupings called segments or niches. Direct marketing is aimed at the individual market (the target market). The dentist's office calls to remind you about your appointment. The closest grocery store asks for your card in order to record your purchases. These are all examples of the impact of direct marketing in everyday life. Very quietly and often without much fanfare, the most visible applications of direct marketing have changed the way we go about living, and there is no evidence to suggest that the impact will lessen. In response to all pressure, direct marketing is growing rapidly, and is considered one of the fastest growing marketing approaches during the last two decades. In the European Countries the direct marketing spending is more than 20 billion per year, and the UK accounts for about 12% of the total spend. According to the Direct Marketing Association (DMA) expenditure on direct mail has increased by over 200% in the last 10 years (The Letter box Fact file 2000). While some of the increase is due to inflation in the costs of materials, wages, and postage, part can be attributed to a greater commitment to direct mail.

We are going to answer the following questions:

- What are the most effective direct marketing techniques?
- What is the most important tool of direct marketing used in Algerian banks?
- Who/what should businesses reach with direct marketing materials?
- What are the purposes of using direct marketing?

1. Definition of direct marketing

Several definitions are provided for direct marketing but none of them can be called the standard one. Bauer and Miglautsch (1992)¹ state: "It is probable that no one definition will perfectly describe the concept of direct marketing, as different definitions are used for different purposes."

A currently accepted definition of direct marketing created and then modified by The Direct Marketing Association (DMA) and published in every issue of Direct Marketing magazine states that: Direct marketing is "An interactive system of marketing that uses one or more advertising media to effect a measurable response and/or transaction at any location, with this activity stored on a database (DMAS 2013)². Bauer and Miglautsch (1992) present the following definition that distinguishes direct marketing from direct mail, direct response advertising alone, direct selling, and telemarketing.

"Direct marketing is a relational marketing process of prospecting, conversion, and maintenance that involves information feedback and control at the individual level by using direct response advertising with tracking codes.

Bauer and Miglautsch's definition involves four marketing functions. "Prospecting" means finding new customers to build the files. "Conversion" is to convert individuals who received direct response advertising to customers. "Maintenance", the third activity in the direct marketing definition, means maintaining the behavioural pattern of customers. It includes any analysis or marketing research that helps to enrich the customer file. "Relational marketing" means focusing on developing and maintaining an ongoing relationship between marketers and their customers.

Murrow and Hyman (1994) argue that, although Bauer and Miglautsch's definition is very useful to practitioners, it is still not a useful definition to academics. Their judgement is based on the absence of a clearly stated domain for direct marketing, and neglect of the telephone as one of the dominant direct marketing tools.. Technological development may create some new media that may be

considered as direct marketing tools. TV shop, the Internet, the On-line shop, etc. are some possible tools that may substitute in the near future for the heavy use of direct mail and telephone.

Direct marketing consists of connecting directly with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships. Direct marketers communicate directly with customers, often on a one-to-one, interactive basis. Using detailed databases, they tailor their marketing offers and communications to the needs of narrowly defined segments or even individual buyers³.

Today, many marketers build long-term relationships with customers⁴. They send birthday cards, information materials, or small premiums. Airlines, hotels, and other businesses adopt frequency reward programs and club programs. direct marketing is the use of consumer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen⁵.

Direct marketers can use a number of channels to reach individual prospects and customers: direct mail, catalog marketing, telemarketing, interactive TV, kiosks, Web sites, and mobile devices. They often seek a measurable response, typically a customer order, through direct-order marketing. Sales produced through traditional direct marketing channels (catalogs, direct mail, and telemarketing) have been growing rapidly, along with direct-mail sales, which include sales to the consumer market, B2B. Direct marketing has been outpacing U.S. retail sales. It accounted for almost 53 percent of total advertising spending in 2009, and companies spent more than \$149 billion on direct marketing per year, accounting for 8.3 percent of GDP.

2. Reasons for growth of direct marketing

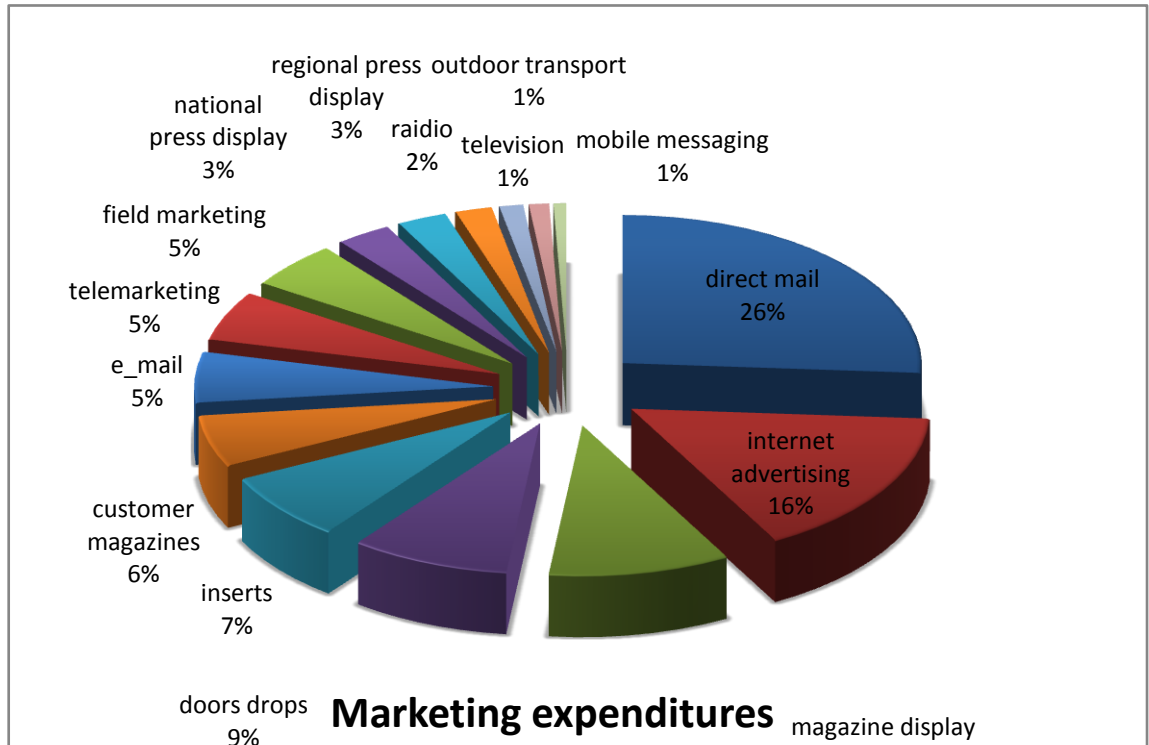
There are many reasons that lead DM to growth such as:

- Customers' time constraints—appeal of investing less time and money.
- Increase in niche marketing—close buyer-seller relationships.
- Availability of specialized media—highly targeted to narrowly defined audiences.
- Computerized databases—availability of detailed personal or company information.
- Advances in technology and electronic media—increased use of computers, Internet, telecommunications capability, etc. Sophisticated analytical tools are available now that help companies to classify and understand customers better.
- the increasing number of firms. including increased consumer sophistication and individuality and the rise of single person households have resulted in a market place of extraordinary diversity and choice.
- Global business expansion—worldwide growth of catalogs and mail-order businesses, and use of promotional tools to reach a global marketplace.
- High cost of personal selling have led companies to take advantage of direct marketing techniques such as direct response advertising and telemarketing to make the sales force more effective. Direct marketing techniques generate leads that can be screened by outbound or inbound telemarketing.
- Changes in demographics and life style: Vast social and economic changes that have occurred since the middle of twentieth century have been vital contributors to the evolution of direct marketing. Large families are becoming a minority group, the number of working women has continued to increase.

3. Direct Marketing Expenditures

Marketing expenditures are in a state of flux as illustrated by this chart which shows direct marketing leading the pack of media options. Whether you are a park district, department, camp or other organization - you are, no doubt, using direct marketing like never before. In the "olden days" of marketing before Twitter, texting, apps and wikis - direct marketing was often synonymous with direct mail.

Today, however, direct marketing refers to an every expanding explosion of media options and applications. among all marketing expenditure ,total direct marketing expenditures are approximately: Direct mail(26)+internet advertising(16)+customer magazine(6)+doors drops(9)+e_mail(5)+telemarketing(5)+mobile messaging(1) = 68%.



Source://littleredsbigideas.typepad.com/little_reds_big_ideas/2010/02/direct-marketing-leads-marketing-expenditures.html.

4. TARGET MARKETS AND PROSPECTS

Most direct marketers apply the RFM (recency, frequency, monetary amount) formula to select customers according to how much time has passed since their last purchase, how many times they have purchased, and how much they have spent since becoming a customer. Suppose the company is offering a leather jacket. It might make this offer to the most attractive customers—those who made their last purchase between 30 and 60 days ago, who make three to six purchases a year, and who have spent at least \$100 since becoming customers. Points are established for varying RFM levels; the more points, the more attractive the customer⁶.

Marketers also identify prospects on the basis of age, sex, income, education, previous mail-order purchases, and occasion. College freshmen will buy laptop computers, backpacks, and compact refrigerators; newlyweds look for housing, furniture, appliances, and bank loans. Another useful variable is consumer lifestyle or “passions” such as electronics, cooking, and the outdoors.

The company’s best prospects are customers who have bought its products in the past. The direct marketer can also buy lists of names from list brokers, but these lists often have problems, including name duplication, incomplete data, and obsolete addresses. Better lists include overlays of demographic and psychographic information. Direct marketers typically buy and test a sample before buying more names from the same list.

5. Elements of direct marketing

There are a lot of tools(forms) and elements⁷ used in direct marketing and the most popular ones are shown in Figure 2 and discussed below.

The major forms of direct marketing.



FIGURE 2 Forms of direct marketing

4.1. Direct mail marketing

Direct mail is a Direct marketing method in which carefully targeted prospects (chosen on the basis of age, income, location, profession, buying pattern, etc.) are presented with custom tailored offers for goods or services via ordinary mail or email. Marketing firms usually 'rent' lists of prospects from mailing list compiling firms who maintain a large inventory of names and addresses of prospects, divided into hundreds of categories and sub-categories⁸.

Direct mail is material distributed through the postal service to recipients' home or business address to promote a product or service. According to the Royal Mail's definition, direct mail is "personally addressed advertising in the post" (The DMA 1995). Direct mail can be one of the most effective methods of direct marketing because of its wide method of delivery range. This element includes catalogues, postcards, newsletters, brochures, flyers, video and audio tapes and promotional items sent via mail or other delivery services⁹.

Most direct mail is unsolicited. Organisations compile or buy lists of names and addresses, and then send out the mailshot. The mailing list used may be cold, that is, where there has been no previous contact between the organisation and the addressee, or may reflect various selection criteria based on data held about previous or existing customers.

Direct mail is widely used in both consumer and organisational markets. The financial sectors, for example, send out mailshots to encourage people to apply for credit cards, loans, and insurance quotes¹⁰.

Direct mail is particularly useful for testing, and for building the long-term relationship with customers as individuals, which marketers are aiming for. With direct mail, marketers can target with great precision, using the information available from a database or what is known about the list they have rented, and they can use personalized printing techniques to add impact.

4.2. Mail order

Mail order involves the purchase of services featured in advertising or selected from catalogue. The basis of the mail order is the catalogue. As a major selling tool, a great deal of thought and effort is required to get it right and tailor it to target market. The main advantages of mail order to consumer are convenience and efficiency and, for some, easy credit. This is especially valuable in areas remote from larger city centres where regular shopping trips are difficult. For the organisation, by avoiding expensive high street locations and associated display and personal selling costs, the opportunity is provided for a wider variety of lower cost offerings..

4.3. Direct response advertising

Direct response marketing, is designed to evoke an immediate response and compel prospects to take some specific action, such as opting in to your email list, picking up the phone and calling for

more information, placing an order or being directed to a web page. and it may include the following tools: Radio, Television, Newspapers and Magazines

Direct response advertising characteristics

Here are some of the main characteristics:

It's trackable. That is, when someone responds, you know which ad and which media was responsible for generating the response. This is in direct contrast to mass media or "brand" marketing – no one will ever know what ad compelled you to buy that can of Coke, heck you may not even know yourself.

It's measurable. Since you know which ads are being responded to and how many sales you've received from each one, you can measure exactly how effective each ad is. You then drop or change ads that are not giving you a return on investment.

It uses compelling headlines and sales copy. Direct response marketing has a compelling message of strong interest to your chosen prospects. It uses attention grabbing headlines with strong sales copy that is "salesmanship in print". Often the ad looks more like editorial than an ad (hence making it at least three times more likely to get read).

It targets a specific audience or niche. Prospects within specific verticals, geographic zones or niche markets are targeted. The ad aims to appeal to a narrow target market.

It makes a specific offer. Usually the ad makes a specific value-packed offer. Often the aim is not necessarily to sell anything from the ad but to simply get the prospect to take the next action, such as requesting a free report.

The offer focuses on the prospect rather than on the advertiser and talks about the prospect's interests, desires, fears and frustrations.

It demands a response. Direct response advertising has a "call to action", compelling the prospect to do something specific. It also includes a means of response and "capture" of these responses.

4.4. Telemarketing

Telemarketing can be defined as any planned and controlled activity that creates and exploits a direct relationship between customer and seller, using the telephone. It includes, but is not limited to, all out-bound direct response advertising communications conducted over the telephone using conventional private line or other telecommunication services.

The main benefits of the telephone are as follows:

- It's almost impossible to ignore; hardly anyone can leave a telephone unanswered.
- The conversation is two-way; people tell the caller things.
- It gets quick results; within the first 50 calls, an idea can be had of customers' reactions; scripts can be modified accordingly.
- It's a terrific research medium.
- Although costly, it should get at least 5 times the response of direct mail. One can use the telephone to check names and addresses and to find out about peoples' reactions to mailings.

There are two popular methods of telemarketing¹¹:

✚ Inbound telemarketing consists of handling incoming telephone calls—often generated by broadcast advertising, direct mail, or catalogs—and taking orders for a wide range of products. Representatives working in this type of telemarketing program normally do not need as much training as outbound reps because the customer already has shown an interest by calling in.

✚ Outbound telemarketing can be aimed directly at the end consumer—for example, a home repair business may call people in its community to search for prospects—or can be part of a business-to-business marketing program. Representatives working on this side of the industry generally require more training and product knowledge, as more actual selling is involved than with inbound operations¹².

4.5. Interactive (On line) marketing

Interactive marketing is a rapidly growing online trend moving from a one-sided customer interaction to a conversation. This trend is being propelled by improved Internet technology and the customer's desire for a better online user experience. Customers want a business to address them directly and remember what type of history they have had together. This includes past purchases,

communication preferences and product interests. It also includes giving the customer power to provide moment-to-moment feedback on products and the company itself.

Example of Interactive Marketing:

One of the biggest innovators in interactive marketing is Amazon.com. They collect and digest past visitor behavior, allowing them to show meaningful information in the present. Amazon offers “suggested reading” selections based off of previous book searches or purchases. This type of online environment makes for a very comfortable and personal shopping experience, leading to longer stays within a site (sometimes referred to as “site stickiness”) and more purchases (also referred to as conversions).

4.6. Direct selling

Direct selling is the action of marketing and selling products directly to the consumer in a non-retail environment (i.e. within a home or work location). These products may or may not be found within a typical retail location. There are many different direct selling tactics, including sales made through one-on-one demonstrations, home parties, catalogs, internet, phone or door-to-door sales.

Direct selling is not necessarily direct marketing. Direct selling is when individual salespeople reach out to consumers directly, whereas direct marketing is when a company markets directly to the consumer, bypassing distributors or other middle-men¹³.

Direct selling is often found in connection with a multi-level marketing environment. This is where the direct salesperson is compensated for personally selling products and for the sales made by people he or she recruited to sell product. This is not to be confused with single-level marketing which is when a sales representative is only paid for the sales he or she personally makes¹⁴.

4.7. Kiosk marketing

As consumers become more and more comfortable with computer and digital technologies, many companies are placing information and ordering machines—called kiosks (in contrast to vending machines, which dispense actual products)—in stores, airports, and other locations. Kiosks are popping up everywhere these days, from self-service hotel and airline check-in devices to in-store ordering kiosks that let you order merchandise not carried in the store.

4.8. Catalog Marketing

In catalog marketing, companies may send full-line merchandise catalogs, specialty consumer catalogs, and business catalogs, usually in print form but also as DVDs or online. In 2009, three of the top B-to-C catalog sellers were Dell (\$51 billion), Staples (\$8.9 billion), and CDW (\$8.1 billion). Three top B-to-B catalog sellers were Thermo Scientific lab and research supplies (\$10.5 billion), Henry Schien dental, medical, and vet supplies (\$6.4 billion), and WESCO International electrical and industry maintenance supplies (\$6.1 billion). Thousands of small businesses also issue specialty catalogs. Many direct marketers find combining catalogs and Web sites an effective way to sell. Catalogs are a huge business—the Internet and catalog retailing industry includes 16,000 companies with combined annual revenue of \$235 billion (15). The success of a catalog business depends on managing customer lists carefully to avoid duplication or bad debts, controlling inventory, offering good-quality merchandise so returns are low, and projecting a distinctive image. Some companies add literary or information features, send swatches of materials, operate a special online or telephone hotline to answer questions, send gifts to their best customers, and donate a percentage of profits to good causes. Putting their entire catalog online also provides business marketers with better access to global consumers than ever before, saving printing and mailing costs.

6. The major functions of direct marketing

The major purpose of using direct marketing is to achieve a sustainable competitive advantage through effective promotion and an efficient way of selling. However, the literature is characterised by a lack of studies that address this issue, or determine the reasons for using direct marketing in general or what functions direct marketing usually accomplish in particular. However, a few studies have focused on the benefits or reasons for using direct marketing or one of its elements from the supply side. The following is a brief presentation of the findings of these studies.

Thwaites and Shron (1994), in a study of the financial services industry, rank direct marketing’s benefits based on their value to UK financial services institutions as follows¹⁶:

1. Cross-selling 44%.
2. Lead generation for sales force 28%.
3. Up-selling current and new services to existing customers 24%.
4. Keeping customers sold on product/service 15%.
5. Selling to new prospects 13%.
6. Generation of retail traffic 8%.

Peltier (1994), in a study applied to private hospitals in the United States, identify the four most important objectives of using direct marketing. According to Peltier's (1994) findings, these objectives rank as follows:

1. Increasing hospital awareness 70%
2. Lead generation for current programs/services 64%
3. Promoting special events 63%
4. Image enhancement 57%

A survey study conducted by Direct Mail Information Service (1994), on 141 companies selected from the top 3000 UK advertisers by advertising spend and other companies with a turnover between £1 million and £10 million, indicates that there are seven traditional reasons for using direct mail. These reasons are ranked differently across different industries. However, the average rank of each reason in all industries included in the study appeared as follows:

1. Leads inquiries 84%.
2. Customer loyalty 57%.
3. Improve image 56%.
4. Immediate sales 47%.
5. Brand awareness 46%.
6. Upgrade/Cross sell 33%.
7. List/Database building 27%.

According to these studies, the reasons for using direct marketing are different across the sectors in which direct marketing is applied. However, there are some common factors that can be derived from the existing studies. The most significant reasons are mainly either distribution or promotion purposes. For example, reasons such as cross-selling, selling to new prospects, and immediate sales, can be considered as distribution functions. Others, such as increasing awareness, image enhancement, promoting special events, and lead generation for sales forces can be considered as promotional functions. In fact, recognising the role of direct marketing as a form of promotion tool is not a problematic issue. The dominant theme in the literature identifies direct marketing as a promotion tool, (Anderson 1993, Kotler 1998). However, the use of direct marketing as a distribution channel is still not widely acknowledged.

5.1. Direct marketing as a promotional tool

Promotion is defined in the literature as any form of communication used to inform, persuade, and/or remind people about an organisation's or individual's goods, services, image, ideas, community involvement, or impact on society (Evans and Berman 1992). Direct marketing is commonly identified in the literature as an element of the promotion mix (Schoell and Gultian 1990, Kotler et al 1998). The promotion mix is the firm's overall and specific communication programme, including its involvement with advertising, publicity and public relations, and personal selling and sales promotion. Research has shown several beneficial impacts of including direct marketing in the promotion campaign. For example, according to Bird, a comparison between a promotional campaign including direct mail and one which does not, shows how effective direct marketing is as a promotional tool. The results are that¹⁷:

1. Awareness of the mailing was more than 70%, three months after it had been sent out.

2. Brand performance shifted dramatically: people were 148% more likely to choose the product in question than similar people who had not been mailed.

3. Advertising awareness leapt: people who had been mailed were 37% more aware of the product's general advertising.

5.2. Direct marketing as a distribution channel

Direct marketing is well recognised in the literature as a promotional tool. Research related to the promotional dimension of the approach is widespread. On the other hand, the distribution dimension of direct marketing receives less attention in the literature. However, the use of direct marketing as a distribution channel may play a strategic role in the firm's long-term planning. Roberts and Berger argue that direct marketing offers potential in many potential competitive areas, such as changing the basis of competition, strengthening customer relationships, overcoming distribution problems, building barriers against new entrants, and generating new services¹⁸.

First of all, a marketing channel (distribution channel) is defined in the financial services, insurance, and travel companies, is the major users of direct marketing as sole distribution channels for some of their services. For example, Direct Line insurance, a subsidiary of the Royal Bank of Scotland, markets its product (motor insurance) direct to the customers by cutting out intermediaries. This strategy allows the bank to avoid paying brokers' commissions, to be able to offer the public more personal services, a faster response, and a lower price. In 1985, this new strategy was considered as a 'new way of marketing motor insurance, which put the company, in the lead position in the UK's motor insurance market¹⁹.

In conclusion, direct marketing, whether it is direct mail, telemarketing, or mail order, has a distribution dimension. It could perform some of the significant distribution functions (flows). It is a combination of both intermediary and facilitating agent. Although direct marketing may be used in all levels of distribution channels, the particular context influences its role and functions. In the previous discussion, market and product-related variables appeared to be among the determinants of a role for direct marketing. Direct marketing was used commonly as a sole distribution channel in services, while it was being used as only a facilitating agent in industrial markets. In addition, direct marketing was used as a sole distribution channel with standard and simple financial services, while it was used as a supportive channel for complex and high valued services. In all cases, the distribution dimension of direct marketing is recognised as a major function of using the approach.

Geo-marketing

The newest and most complex instrument used in direct mailing is geomarketing. It allows the transposition into graphic representation of the information in the profile of the buyers and its distribution on a map. In communication campaign terms, geo-marketing offers the possibility of decreasing allotted resources through a preliminary analysis and planning. For this undertaking to work, though, two sets of information need to be harmonized: the vector maps of the company that performs the distribution, which accurately show the exact situation of the addresses in the territory, and the information about clients that is desired to be put into the analysis. Let us consider, for example, a hypermarket which is active in various cities of the country, having a database with existing clients and data about their addresses, income, age, etc. By overlapping this data on a vector map, the distribution of customers according to the desired criterion and the dynamics and mobility of customers in the proximity of stores will be highlighted. Also, the attraction zones can be validated, invalidated and given dimension. Thus, the appropriate marketing instruments for future campaigns will be defined, choosing between addressed and unaddressed distribution²⁰.

It can be found that a significant number of customers live on a one kilometer radius around the store, while the density in the 2-5 kilometer radius is only scattered – in this case, it is better for certain campaigns to be announced to customers from the further area by addressed distribution instead of unaddressed, to decrease the allotted budget. In conclusion, geo-marketing allows both the optimization of the communication effort by better allotting resources and the identification of tendencies in the selective behavior of the customers. Geo-marketing also proves its effectiveness outside the sphere of direct marketing, being used to place outdoor advertisements and founding some strategic sale decisions such as establishing the locations of new stores.

6. Direct marketing and ethical issues

At the forefront of many of the efforts to improve self-regulation has been the Direct Marketing Association (DMA), the oldest and largest organization in the direct marketing industry. In the past few years, the DMA has worked with government in crafting anti-spam legislation (2002), developing plans to prevent telemarketers targeting cell phones (2002), partnering with the American Association of Advertising Agencies and the Association of National Advertisers to release guidelines for e-mail advertising (2003), and working with federal law enforcement officials to stop illegal or unwanted spam (2003). According to the DMA, the following principles should apply to any firm or individual involved in direct marketing in their interactions with both current and prospective customers, suppliers, and other businesses. These principles form the foundation for the DMA's Guidelines for Ethical Business Practice. Adhering to the framework means²¹:

- ✓ . a demonstrated commitment to customers' satisfaction;
- ✓ . clearly, honestly, and accurately representing all products, services, terms and conditions;
- ✓ . delivering products and services as represented;
- ✓ . communicating in a respectful and courteous manner;
- ✓ . responding to inquiries and complaints in a constructive, timely way;
- ✓ . maintaining security policies and practices to safeguard information;
- ✓ . honoring requests not to have personally identifiable information transferred;
- ✓ . honoring requests not to receive future solicitations; and following both the spirit and letter of all laws.

Direct marketers and their customers usually enjoy mutually rewarding relationships. Occasionally, however, a darker side emerges²²:

- **Irritation.** Many people don't like hard-sell, direct marketing solicitations.
- **Unfairness.** Some direct marketers take advantage of impulsive or less sophisticated buyers or prey on the vulnerable, especially the elderly.¹⁵
- **Deception and fraud.** Some direct marketers design mailers and write copy intended to mislead or exaggerate product size, performance claims, or the "retail price." The Federal Trade Commission receives thousands of complaints each year about fraudulent investment scams and phony charities.
- **Invasion of privacy.** It seems that almost every time consumers order products by mail or telephone, apply for a credit card, or take out a magazine subscription, their names, addresses, and purchasing behavior may be added to several company databases. Critics worry that marketers may know too much about consumers' lives, and that they may use this knowledge to take unfair advantage.

7. Relationship marketing

Relationship marketing is a term introduced by Berry (1983)²³ that puts forward that marketers should move away from transactional marketing and build longer term relationships with their customers, focusing on building trust between buyer and seller so that loyalty develops. As a concept, there is little that can be faulted; after all, isn't that what all businesses want, loyal customers with whom they want a long relationship?

The idea of relationship marketing was developed by Gronroos (1994) whose opinion was that relationship marketing was all about identifying, establishing, maintaining, enhancing and, occasionally, terminating relationships with customers.

The objective of such relationships, he suggested, is to give mutual benefit through the exchange and fulfilment of promises as well as communication. He went on to say that relationship marketing is the result of applying a set of processes involving interaction, communication, dialogue and value (Gronroos, 2000)⁽²⁴⁾. Over the last 20 years relationship marketing has been espoused by many in the services and industrial arenas, where it is, perhaps, easier to develop longer term relationships.

The acquisition, retention and nurturing of customer relationships is fundamental to an organisation engaging in relationship marketing. Nurturing the customer is a step along the path to invoking loyalty on the part of the customer. Loyalty is one of the objectives of relationship marketing because a loyal customer may be of strategic advantage to an organization⁽²⁵⁾.

II. Practical study

the subject' study was a sample of financial institutions in setif. The sample was selected randomly from both private and public sector. However, the population of the study is limited to Setif region(setif,el eulma,ain ernet), because this city is believed to adequately represent Algeria. Setif is considered as a centre for different industries such as agriculture, services, manufacturing and other professional industries, and it is the second city after Algiers in population density with approximately 2 millions inhabitants.

A total of 19 questionnaires were sent to the banks in setif. After employing several methods in order to obtain an adequate response rate, All the 19 questionnaires were returned. Of these 19 responses, 2 questionnaires were unusable. We have used spss v21 statistical package for social sciences in analyzing data.

1. Elements of direct marketing analysis

The main elements of direct marketing that are commonly used are direct mail, catalogue, telephone, face to face, interactive television, and the Internet. The telephone was found to be the most important element of direct marketing used by banks. Over 65% of direct marketing users (banks) believed that the telephone is either an "important" or "very important" type of direct marketing used to market their services. the table below (1) shows the mean (4.01) was the highest among all elements of direct marketing. This is probably due to Record number of mobile phone subscribers in Algeria, a significant increase over the past year, to exceed the number of the country's population, A total number of 39.52 million subscribers. According to the latest statistical authority to control for mail and telecommunication "ARPT", said that the rate of saturation in the mobile market in Algeria, has exceeded one hundred percent rate, and reached for the first time in the history of Algeria ratio of 102.11 percent.

The face to face tool appeared to be the second most important element (mean 3.73), followed by direct mail (3.20) which comes third, the Interactive TV (2.61), then catalogue with (2.18) and the least important being the Internet (1.14). This result reveals that_ unlike the situation in the Western market_ direct mail is not the dominant element of direct marketing. One potential reason for this result is the management's mistrust of the mail system. And banks marketers are still not satisfied with the service, and therefore, hesitate to rely on such an approach.

Face to face selling is still have a good position in delivering financial services directly to customers. And that what explain the intensive distribution strategies of those companies. However internet comes in last rank, wich indicate the indifference of those companies regarding internet use in delivering and distributing services.

One of the oldest forms of marketing, catalogues remain a powerful marketing medium, but it's role has changed. Where they were once a direct_response vehicle, they now drive consumers to the internet to place an order online. Although catalogues and internet are not well used .

Table (1) Elements of direct Marketing

Variables	rank	Mean	Std. Deviation
Telephone	1	4.01	1.0344
Face to face	2	3.73	1.2029
Direct mail	3	3.20	1.5003
Interactive TV	4	2.61	1.4505
Catalogue	5	2.18	1.6028
Internet	6	1.14	1.1818

Source : (réalisé par les chercheurs)

2. Purposes of direct marketing

We are going to discusses various issues regarding the use of direct marketing tools and policies. It highlights some issues among the users of direct marketing concerning its role, the way financial institutions understand and utilise the direct marketing approach,

In the first section, users of direct marketing were asked to determine the relative importance of seven purposes for using direct marketing. These seven purposes were looked at from a functional point of view. Each represented a function and a role that direct marketing may be given.

table (2) shows that, although direct marketing was found to be used for many purposes, the distribution functions appeared to be the most significant reason for using direct marketing. Table (2) shows that the first main purpose is making immediate sales (4.02), followed by cross_selling the product (3.85), and then Build customers' list (3.62) were the most significant purposes. This results indicate that these companies are still adopting selling _oriented approach instead of marketing oriented approach, this phenomenon was called by Theodore Levitt the marketing myopia.

Purposes that can be classified as communication and promotion role appeared less important. The most significant purposes was found to be enhancing customer relationships(3.21), increasing brand awareness(3.11), and improving the firm's image(3.02).

However, Using direct marketing to test the product and the market place was found to be one of the least popular purposes of using the approach. The mean was (2.63) for testing the products and market.

Table (2) purposes of using direct marketing

Variables	rank	Mean	Std. Deviation
generating immediate sales	1	4.02	1.102
Cross-sell	2	3.85	1.222
Build customers' list	3	3.62	1.209
establish customer relationship	4	3.21	1.436
Increase brand awareness	5	3.11	1.451
Improve the firm's image	6	3.02	.9151
Test the product and market place	7	2.63	1.235

Source : (réalisé par les chercheurs)

3. Discussion and Conclusion

The final results of the empirical work imply that direct marketing in Algeria is still in its early stages of development. The use of the approach to target individual customers is still at a minimal level. Most financial institutions(banks) in Algeria utilise direct marketing for business_to_business contacts.

direct mail is still not the dominant element of direct marketing. However, the most important elements in Algeria being the telephone and fax. An obvious reason for this result is the inadequate mail system in the country.

We can also say that there are several potential opportunities for financial institutions in Algeria to embrace direct marketing. Firstly, the decline of mass marketing is often cited as one of the main factors that makes direct marketing a desirable option for an increasing number of firms. A number of trends in the Algerian market, including increases in consumer sophistication and individuality and the high growth of population that is associated with the rise of small families and households, have resulted in a market place of extraordinary diversity and choice that is unlikely to be satisfied by traditional mass marketing approaches.

In addition, the vast social and economic changes that have occurred since the last decades make direct marketing a desirable potential option for several financial institutions.

Moreover, we should mention the poor banking services and the lack of credit cards sand electronic payment means and inaccurate (not actualized) mailing lists seems to be the serious obstacles facing direct marketers in Algeria. The government should pay more attention to improving the mail system, modernise banking sectors and developing electronic infrastructure, and providing high level of internet flow.

A database can be built from order transaction records, application forms, warranty cards, questionnaires and surveys, coupons, customer service reports, or requests for information and brochures. Establishing database marketing and a good dataminig system can lead to extraordinary results for both customers and companies.

The banks should focus on building effective relationships with its profitable customers via direct marketing tools such as face to face or personnel selling. And using loyalty schemes and reward their best customers.

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