The current issue and full text archive of this journal is available at
www.emeraldinsight.com/1750-5933.htm

The end of mass marketing: or, why all successful marketing is now direct marketing

Andrew R. Thomas
College of Business Administration, Center for Organizational Development, The University of Akron, Akron, Ohio, USA

Abstract

Purpose – The purpose of this paper is to make the case that the traditional mass marketing approach practiced for decades is no longer a viable one. By looking historically at how mass marketing corrupted much of American business and alienated prospects and customers, the argument is made that it is time for a change.

Design/methodology/approach – Mass marketing has lead to downright hostility in the marketplace. With more than 3,000 messages thrown at them everyday, Americans spend far too much of their day waging war with the marketing department.

Findings – The outsourcing of high-paying jobs from the US to low-wage markets often has more to do with mass marketing in the domestic market than global forces. The abrogation of control of their sales and distribution functions by manufacturers in the name of bigger markets has lead to the creation of mega distributors like Wal-Mart, Home Depot, and the US auto-dealer network. This loss of control and the inability to influence what ultimately happens to their products – including the price they can command in the marketplace – has lead many manufacturers to chase the cheapest labor around the world as the only way to grow the bottom line.

Practical implications – For companies of all sizes, there exists the opportunity to cut through the noise and build relationships with their targeted micro-market. The solution is direct marketing.

Originality/value – The conventional wisdom that more customers and more sales driven by mass marketing leads to profitability is simply not the case. This paper discusses how a direct marketing strategy provides the most effective way for companies build relationships with their best and most profitable customers.

Keywords Direct marketing, Outsourcing, Sales strategies, Strategic alliances, United States of America

Paper type Viewpoint

Introduction

The numbers are simply staggering: during an average day, the typical American is subjected to over 3,000 marketing messages. Assume eight hours for sleep and personal maintenance, and that leaves 16 hours to be inundated with pitches, sales, discounts, solicitations, and offers. This translates to over 180 per hour. Or, more than three per minute! Even worse, almost everything that is being thrown out there is not even relevant to the lives of the people who are being molested. In a recent Yankelovich Partners study, nearly 80 percent of Americans felt "constantly bombarded" by radio and TV advertisements, billboards, pop-up ads, telemarketing calls, junk mail, spam, *et al.* Equally disheartening, more than two-thirds say all of this has little or nothing in common with them (Freedman, 2005).

Simply stated, nearly every individual and organization in America does not want to hear from the marketing department any more. The seemingly one consistent

Direct Marketing: An International Journal
Vol. 1 No. 1, 2007
pp. 6-16
© Emerald Group Publishing Limited
1750-5933
DOI 10.1108/17505930710734107

www.mana

message yelled in the business world is that most marketing efforts have nothing to do with the customer. It is all worse than noise. It is an interruption. It is hostile. That is the unspoken but well known reality for much of marketing today. Marketing broadcasts messages to people who do not want to listen. Every advertisement, press release, publicity stunt, and giveaway engineered by a marketing department is colored by the fact that it is going to a public that did not ask to hear it; does not want to hear it; and, if given the choice, would more likely than not tune it out at every chance.

It really seems that the marketers are out to get us. To fend them off, we spend more and more of our time trying to get away from them. With the remote control serving as our first line of defense, we automatically start surfing the second the commercials appear. We open our mail over the waste basket, struggling to discern the junk pieces from the good ones. Once online, we scan through our bulk folder to see if any "real" messages were misplaced there and diligently search through our inbox to find and delete any spam that might have slipped through. We enable the "block pop up" feature on our web browser. We consciously and subconsciously fight the attachment of marketing messages to everything. Yet, it feels like we cannot win. We cannot bust out and free ourselves from the grip of the marketers.

As a reader of this journal, it can be pretty well assumed that you either spend your days wielding a marketing axe, teaching and writing about it, or are at least thinking about doing so. As practitioners, consultants, or researchers, we often design or recommend expensive marketing campaigns based on tactics that bombard people with messages in order to penetrate markets. How ironic, then, is it that in our private lives we defend ourselves from the marketing messages out to get us? For far too many, business-as-usual has evolved to a constant state of war with the market, with the marketing department manning the front lines.

Most mass marketing attempts have become adversarial; intrusive; threatening; and, even hostile. Consequently, mass marketing in many ways is not evolving; it is devolving. Consider this: markets once were places where producers and customers met face-to-face and engaged in conversations based on shared interests. Now more and more business-as-usual is engaged in a grinding war of attrition with its markets. No wonder most mass marketing attempts fail.

The great mass marketing mistakes

The failure of mass marketing is occurring on two levels. One, it is just harder to draw a crowd these days, and without a crowd, you have no "mass" into which to cast your messages. Despite empirical and anecdotal evidence to the contrary, the marketing world still insists that old metrics of reach and frequency are the pathway to success, and this is problematic in today's ever-fragmenting media world. Reach and frequency still count, but they share the road with lots of other things (Heaton, 2006).

When trying to understand the root causes of this malfunction, five mistakes seem to be more common and influential than any others.

Mistake No. 1. It is wrongly believed that simply more customers and more sales marks the road to profitability

Business schools, textbooks, consultants, and to even some extent *Wall Street* each seem to live under the mantra that "volume covers all sins." That more sales is the

www.mana

solution to whatever else may ail a company. They do not realize that having the right kinds of customers and sales is the way to achieve success. In other words, size does not matter nearly as much as quality.

Mistake No. 2. There is wrong embrace of the shotgun approach

That is, if enough marketing dollars are against the wall, a certain amount will stick – some how, some way – which will metaphysically transform themselves into customers, profits, and market share. Business does not work that way.

Mistake No. 3. The wrong belief that almost everyone wants to hear from them

In fact, very few folks actually want to tune into an advertisement about a particular company, receive a brochure, visit the web site, etc. So why focus on the many? It is a huge waster of resources. It is the select few who want a relationship with a company that should be targeted, with scarce resources allocated towards them.

Mistake No. 4. The search for magic bullets

There is often a wrong assumption in place that there exists one or a couple of magical ways for a firm to find and keep their best customers. Things like the latest book by a management guru, a new version of a customer relationship management software package, or a cutting-edge executive education course can each enhance a successful marketing effort. However, they cannot themselves change flaws which exist within a strategy.

Mistake No. 5. Discounting the importance of process

The fad in much of business thinking today is that process is something that is too "old school." That the time-consuming – and often dull – basics of effective campaigns directed to the best prospects and customers can be pushed aside in favor of "cutting-edge" approaches to marketing. The shunning of proven marketing process in favor of "new and improved" techniques often means favoring the exciting over the boring.

An example of how mass marketing corrupted American business

The conventional wisdom in government, the academy, and much of industry is that companies are choosing to close their costly domestic operations in favor of better prospects and profits in other countries. The ability to produce a product for 30-50 percent less than it would cost in America is widely considered the reason that American firms are flocking overseas (Engardio *et al.*, 2004). Thus, far the outsourcing (or more properly, offshoring) conversation has pitted shrinking transaction costs, enhanced efficiencies, and fat profits, against job loss, societal disruption and a sense of economic angst as industries restructure themselves to conform to the new realities of the digitized age.

Often unrecognized in the outsourcing/offshoring discussion is the strategic dimension. The compulsive embrace of overseas outsourcing, particularly the outsourcing rush first to Mexico and then to China, has less to do with international business than it has to do with how products are marketed, bought, and sold in the domestic, American, market-place. The offshoring phenomenon is really about the purposeful weakening of America's industrial structure brought about as a business

المنارة للاستشارات
www.mana

strategy by a particular set of American business enterprises. The move of American producers overseas is not so much an effort to seek new markets and new opportunities, as it is a defensive response to power tactics these enterprises employ.

Recent investment in China, for example, has been explained in a number of ways. With 1.3 billion people, it is the world's largest potential market. Firms are rushing in, hoping to capitalize on an emerging middle class of 290 million consumers. Average manufacturing pay of less than one dollar an hour also makes it an attractive option for firms desiring lower wage rates. Finally, in some industries, China offers distinctive skills and expertise that are superior to those found in the USA. For example, Chinese engineers are on the cutting edge of developing technologies in the wireless chip and software industries (Anonymous, 2004). While these observations are factually correct, they tell only a part of the story.

It is a fact that American firms are being pulled overseas by the allure of potential profits and cheap labor. The ability to hire software engineers in India at less than half the cost of their American counterparts, and the impressive, though inexpensive, capabilities of China's flexible manufacturing capabilities, produce a siren-like enchantment to Western managers. However, the vast majority of the US companies are also being pushed into China – literally forced to make huge investments in that country – whether they want to or not. This coercive push is being driven by something that is much more proximate to our domestic industrial structure than the desire for new markets, lower labor costs or greater efficiencies in sourcing. It is rooted in the mass marketing approach wrongly undertaken by many US firms. Although it is ubiquitous, the connection of this force to American outsourcing and business dysfunction has gone largely unnoticed.

The underlying reality is that it is not corporate avarice which is driving large percentages of manufacturing out of the USA. Nor is it the desire for the cheapest price on the part of consumers. What is forcing thousands of companies to close the US operations and layoff workers is an imbalance in the sales and distribution model that has evolved over the past four decades – supported by the myths of mass marketing. It occurs when the distribution scheme is turned on its head and distributors wrest control of the strategic prerogatives of manufacturers in order to capture a disproportionate share of the value of the supplying firm's products. In this scenario, the mega-distributors end up profiting at the expense of their vendors, whereas manufacturers earn little or nothing on the sale of their own products. As a result, the compulsive embrace of offshoring by the US firms is not the result of internally generated goals and objectives, but is instead driven by the sheer demands of corporate survival.

Prior to World War II, producers sought to control every aspect of the goods that rolled out of their factories. Manufacturers viscerally understood that it was blood, sweat, investment, and risk-taking that brought their creations to the public. Industrialists purposefully exerted as much control as possible over the distribution and sale of their products. By exercising power over downstream value chain activities, manufacturers carefully safeguarded their own interests.

The industrial structure that emerged during the second half of the nineteenth century has been variously characterized as hierarchical capitalism (Dunning, 1995), managerial capitalism (Chandler, 1990) and internalization (Hymer, 1976; Williamson, 1975). Here, vertically integrated companies created large production facilities which

المنارة للاستشارات

www.mana

could take advantage of scale and scope, while at the same time developing marketing, distribution and purchasing networks for specific products. Manufacturers integrated forward into marketing, sales, and distribution as they achieved a product volume that was sufficient to overcome cost advantages previously enjoyed by wholesalers and other intermediaries.

Producers developed their own distribution capabilities, including marketing, sales, installation, service, the provision of credit and other ancillaries appropriate to particular product offerings (Chandler, 1990). The ability to control distribution allowed firms to monitor and understand their markets and customers and helped them to create economies of scale. As a result, distribution became the most valuable means of gaining and holding market share for the new industrial giants of the twentieth century.

Companies that offered products with few if any intangible ancillaries (i.e. service, installation, credit), continued to work through wholesalers, but only for the purpose of the physical distribution of their products (Chandler, 1990).

For example, food and chemical companies, such as Procter & Gamble, Colgate, and Davis, fielded their own sales forces while utilizing wholesalers as "essentially shipping agents for the manufacturers" (Tennant, 1950, p. 250 from Chandler, 1990, p. 65) By the end of 1920s, firms that manufactured branded, packaged goods expanded into international markets and into related product lines based largely on marketing and distributional capabilities.

While almost all efforts directed toward marketing and distribution by American manufacturers extended only to wholesaling rather than retailing, some firms organized their marketing and sales operations so that they could reach customers directly. Remington, National Cash Register and Eastman Kodak were among a select number of producers that created networks of retail stores in America's cities. For example, in 1880s, newly developed malting processes improved quality and speed in the brewing of beer. This, combined with new temperature-controlled tank cars allowed what had been essentially local businesses, to extend their reach nationally.

By 1894, Pabst had 30 branches throughout the US which warehoused, marketed and distributed its beer. While the firm used wholesalers in some markets, most sales resulted directly through these branch offices (Chandler and Tedlow, 1985, pp. 335-6).

From the earliest days of the second industrial revolution, manufacturers were in charge of the distribution and sales of their products and targeted their marketing campaigns accordingly. While seldom acting as retailers, America's industrialists used vertical integration coupled with the ability to constrain the operational boundaries of middle men and shop owners to one of logistics and product delivery. This resulted in an industrial structure in which powerful manufacturers were able to capture the lion's share of the economic value that their products created.

Mass marketing strategy as blunder

In the early 1970s manufacturers permitted outsiders (distributors), who did not have a vested stake in their companies, to control more and more sales and distribution activities, under the banner of mass marketing. Producers were responding to the exhortations of management theorists who preached a doctrine of business transformation that emphasized resources, capabilities, innovation, technology, and operational effectiveness. Companies that had once been in control of all aspects of

www.mana

product development, marketing, sales, and service were slowly convinced by "leading" business thinkers to focus exclusively on "core competencies" and get rid of everything else. Consequently, big companies began to divest themselves of activities that were not perceived as "value adding," while at the same time embracing operational paradigms that emphasized total quality management (TQM), materials requirement planning, just-in-time inventory control, and lean manufacturing – all under the guise of a new mass marketing approach that was volume-driven.

Eventually efforts to "stick to the knitting" paid off, and firm boundaries underwent dramatic changes. Companies that had previously exercised power over their value chains were now outsourcing almost everything except those activities which they considered to be unique to their bases of sustainable competitive advantage. With rising pressure from perceived higher-quality Japanese companies, American manufacturers ended up spinning off not only business functions unrelated to their core resources and competencies, but also valuable distribution and sales capabilities.

Consider what happened to Goodyear. In 1989, Goodyear, then the largest tire company in the world, underwent an organization-wide change effort to adopt the principles of TQM and mass marketing. Like thousands of other firms that embraced TQM, Goodyear's operations, logistics, procurement, and research and development were retooled with the goal of making "defect-free" products. Targeted marketing, sales and distribution, which had always been the lynchpin of Goodyear's success, were relegated to a secondary status because TQM focused almost exclusively on the manufacturing process. Inevitably, cracks began to form between the manufacturing people and individuals working in sales and distribution.

Resources to support the highly successful existing the US dealer network, which had taken nearly a century to build and perfect, were reallocated to operations. With less to work with, Goodyear had little choice but to cannibalize its existing distribution arrangement. Wholesalers were turned into dealers and vice versa. Multiple sales outlets began to appear in towns where there had been one or two exclusive Goodyear dealers for years. Consequently, Goodyear's control over the sales and distribution of its products began to erode.

Although Goodyear started using alternate distribution channels in 1970s, the shift away from its dealer network accelerated dramatically in 1992 when the company introduced its tires to Sears and Wal-Mart. As a direct result, the firm went from being the largest tire company in the world, with a global network of loyal and faithful dealers and strong brand loyalty, to the manufacturer of essentially a commodity that could be purchased at an ever-growing number of outlets for a lower and lower price.

For the consumers of Goodyear's products, this was a boon. Customers suddenly could have Aquatreads or Eagles mounted on their cars while they shopped at the mall or purchased dry goods at big box stores. Retailers also benefited. Unlike the old system, the new retail outlets were not exclusive dealers. They placed Goodyear tires on their shelves next to competing brands and, as a result, could offer more choice to their customers. Additionally, the prices of Goodyear tires to consumers fell precipitously. With a larger number of outlets now competing for the same customer base, price wars became inevitable.

The only loser in the long run was Goodyear. A slow, degeneration of the company began. Unable to raise its prices through a compromised distribution network where the lowest prices never seemed low enough, Goodyear was faced with the inevitable:

المنارة للاستشارات
www.mana

the removal of costly manufacturing centers within the USA. Over the next several years the company would close 12 plants in the US in favor of cheaper labor overseas. This was done in order to compensate for losses resulting from the firm's ill-conceived disbandment of its dealer network. Not surprising, a substantial number of Goodyear's tires – almost 80 percent – are now made in China. Recognizing the transformation of the new American marketing approach was the genius of Sam Walton. He and a raft of imitators stepped into fill the power vacuum that the strategy gurus had helped to create. The result was the formation of massive distributors who drove the sales and distribution of manufacturers' products in the USA under the umbrella of mass marketing. Now, the vast majority of consumer products are sold, distributed, and controlled by entities other than the actual manufacturers.

Today thousands of US manufacturers have little or no control over the distribution and sales of products in their home market. They do not even have control over the price they can charge for their products. This is evidenced by mandates from mega-distributors imposing yearly price reductions on manufactured goods while at the same time insisting that suppliers maintain the same high standards of quality and service.

Wal-Mart's ability to squeeze its suppliers is legendary, and no wonder, with 30 percent of the US market for household staples such as toothpaste, shampoo, and paper products, and over 20 percent of all CD, DVD, and video sales, vendors have no choice but to tow the line. Such market power allows the mega-distributor to hone in on every aspect of a supplier's operation – which products get developed, what they are made of, and how to price them.

In 2002, Rubbermaid finally bent to the overwhelming pressure of Wal-Mart – its biggest US customer – to cut its prices precipitously. At the same time a new contract for future business was being announced between the two companies, Rubbermaid's Wooster, Ohio plant was being closed (3,000 workers were laid off) and a new plant broke ground outside of Shanghai.

Moreover, nobody was really surprised when Wal-Mart announced in June, 2006 that it was requiring suppliers to cut their prices across the board for Fiscal Year 2007 by at least another 5 percent.

Wal-mart is not the only company that has gained strategic advantage as a result of the "core capability thinking" of the US manufacturers. Consider Home Depot's dealings with American Standard, a firm that employs 16,000 people at 63 factories around the world, including two factories in the USA and one in Canada. This company sells more than $700 million in bath and kitchen products to Home Depot each year. Here is the problem: American Standard does not make any money selling to Home Depot. Owing to the distributor's size, American Standard has no other viable distribution channel in which to place its products in the USA. Home Depot knows this all too well and every year pays less for the same products from American Standard than the year before. Any discussion with senior management at American Standard will point toward a resignation on their part that it is only a matter a time before the remaining few Canadian and the US plants are closed and relocated to China.

The companies described above are not exceptions to the rule; they are merely a few of the most visible examples. In home electronics, medical equipment, chemicals, do-it-yourself, and nearly ever other industry imaginable in the US, mega-distributors have emerged to dominate the sale and distribution of most products.

المنارة للاستشارات
www.mana

Direct marketing as the solution

Marketing, like cooking, is both an art and science. Every analyst, like every cook, has a different recipe. The quality of the result is in how well it satisfies. The ultimate objective of a marketing strategy is to provide the direction for an organization to make more money. In order to fulfill this objective, a sound marketing strategy must be understandable, relevant, and actionable.

Segmentation and niches seem to provide a way to do this. However, most companies have too many segments and niches to manage. Even more disheartening, they tend to look at the wrong segments and niches. Very few marketers like to go after smaller segments and niches. Most people want to target the largest segments. There are several reasons why this strategy often fails: first, the larger segments attract the most competition. Second, smaller segments may have more distinct needs that can be satisfied very profitably. Third, targeting larger segments costs more and those costs may reduce margins more drastically than targeting smaller segments. In other words, focusing on niches and segments comes up short for many organizations.

Direct marketing on the other hand cuts through the confusion and uncertainty of mass marketing, segmentation, and niches and goes right to the customer. In his book, *Permission Marketing*, Godin provides an alternative to marketing by interruption, which offers the consumer an opportunity to volunteer to be marketed to. By talking only to volunteers, *Permission Marketing* guarantees that consumers pay more attention to the marketing message. It allows marketers to tell their story calmly and succinctly, without fear of being interrupted by competitors or interruption marketers. It serves both consumers and marketers in a symbiotic exchange. *Permission Marketing* is anticipated, personal, and relevant (Godin, 1999).

However, there is another level of frustration – a deeper one that people experience when encountering many marketing strategies. It is similar to; in fact, it is just like a hostage situation. Hostage marketing has become the way for companies in virtually every industry to provide "customer service" to their clients. Have you ever tried to switch cell phone providers and keep your existing phone number? How about internet service providers? We get treated more as hostages than as customers. We are locked in. We cannot leave. Moreover, we risk tremendous negative consequences if we try to escape and fail.

Again, there is hope. There are places where customers and their suppliers are getting together to communicate as real people once again. On the internet, through podcasts, and via text messages, markets are getting more connected and more powerfully vocal every day. These markets want to talk, just as they did for the thousands of years that passed before market became a verb with us as its object.

We buy books and tickets on the world wide web. Not over, through, or beside it. To call it a "platform" belies its hospitality. What happens via these new outlets is more than commerce, more than content, more than push and pull and clicks and traffic and e-anything.

These new outlets are real places where people can go to learn, to talk to each other, and to do business together. It is a bazaar where customers look for wares, vendors spread goods for display, and people gather around topics that interest them. It is a conversation – at last and again.

In this new place, every product you can name, from fashion to office supplies, can be discussed, argued over, researched, and bought as part of a vast conversation

المنارة للاستشارات

www.mana

among the people interested in it. These conversations are most often about value: the value of products and of the businesses that sell them. Not just prices, but the market currencies of reputation, location, position, and every other quality that is subject to rising or falling opinion.

This is not anything new, in one sense. The only advertising that has ever been truly effective is word of mouth, which is nothing more than conversation. Now word of mouth has gone global. The one-to-many scope that technology brought to mass production, which producers have enjoyed for two hundred years, is now available to customers, and they are eager to make up for lost time.

In these networked markets, it is far easier to learn the truth about the products being pumped, about the promises being made, and about the people making those promises. Networked markets are not only smart markets; but they are also equipped to get much smarter, much faster, than business-as-usual. Business-as-usual does not realize this because it continues to conceptualize markets as distant abstractions – battlefields, targets, demographics – and these new technologies as simply another conduit down which companies can broadcast messages.

These forums are not merely conduits, pipelines, or another television channel. They invite customers into talk, to laugh with each other, and to learn from each other. Connected, customers reclaim their voice in the market, but this time with more reach and wider influence than ever. At the core, this is welcomed by customers with open arms.

Many organizations find the changes in database management and communication technology to be so overwhelming that they do not know where to begin and how to compete. For those who read direct marketing as just another buzz word in an industry that has many buzz words, it is important to know that direct marketing is not a tactic but rather a strategy. A tactic is a device for accomplishing an end, whereas a strategy is a careful plan or method. In a football game, a trick play is a tactic but a well-rehearsed plan to contain an explosive runner is a strategy. Direct marketing is a careful and well thought out plan leading to successful customer interaction. Done properly, direct marketing becomes marketing in every sense of the word, not only for large companies but also for small companies as well.

Direct marketing and strategic customer alliances

As the nature of the demands both at home and abroad force companies to constantly re-examine the vitality of their relationships, the interest in various types of alliances has grown exponentially (Caslione and Thomas, 2002). In the realm of customers – one of a company's most vital assets – this recognition begins with categorizing them along the lines of timeliness, loyalty, vision, and, ultimately, profitability (Table I).

Direct marketing is about focused, targeted communication with strategic customers to promote the purchase of a good or service. Meeting standards of excellence in business has always been important, but in today's marketplace, it is absolutely essential for a company's success and survival. To meet those standards of excellence, a company and every one of its representatives in every one of its departments must have a customer-driven orientation and provide customer-driven service. These are essential in today's marketplace. Customers will give their business to where they find the greatest value, and a company's customer-driven orientation will give them that competitive advantage.

المنارة للاستشارات
www.mana

Transactional	Preferred	Strategic
Product or service focused	Trust is earned	Shared vision
Price-driven	Relationships over products	Long-tem mutual dependence
Short-term or no contracts	Longer-term	Integration of processes and systems
Focus is on transaction alone	Quality focus	Future (market) driven
Demands are not justifiable	Demands provide learning opportunities	Demands enhance common possibilities
"Us vs them"	"You and I"	"Together"
Little or no loyalty	Moderately loyal	The most loyal
Little profitability	Moderately profitable	The most profitable

Table I.
Typologies of customers

Conclusion

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 individual market is the customer. 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. You turn 50 and receive membership information from AARP. 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.

The old Yankee peddler knew his customers and in that wagon of his was almost every imaginable thing that the frontier families might need. As he traveled he listened to the people and listed their needs, so that perhaps by the next time he might have just what they wanted to make their new dwelling a real home. Marketing has changed in that same direction – more direct, highly focused and interactive. With improved technology today, knowing and serving the customer is both a step back and a step forward.

Mackay (2006), Vice President, Internet Sales and Marketing for Step2 corporation summarizes:

> Direct marketing is a pivotal element of our marketing mix. It is bridging the gap between our best consumers and the hard-to-find products they desperately want. In the process, it is strengthening our relationships with them and sharpening our focus.

Is the strategy of direct marketing right for companies or every shape and size? Indeed, it is. Whether large or small, all companies can benefit from a direct marketing approach. Smaller companies with fewer resources can ill afford to throw dollars to the wind, so using marketing dollars wisely is very important. Larger companies also have a bottom line for marketing costs, and in some cases the marketing department will receive more funding when it has proven itself with a strategy that works.

References

Anonymous (2004), "Behind the Asian outsourcing phenomenon", *McKinsey Quarterly*, available at: http://news.com.com/Behind+the+Asian+outsourcing+phenomenon/2030-1069_3-5162352.html

المنارة للاستشارات

www.mana

Caslione, J.A. and Thomas, A.R. (2002), *Global Manifest Destiny*, Dearborn, Inc., Chicago, IL.

Chandler, A.D. (1990), *Scale and Scope: The Dynamics of Industrial Capitalism*, Harvard University Press, Cambridge, MA.

Chandler, A.D. Jr and Tedlow, R.S. (1985), *The Coming of Managerial Capitalism*, Richard D. Irwin, Homewood, IL.

Dunning, J.H. (1995), "Reappraising the eclectic paradigm in an age of alliance capitalism", *Journal of International Business Studies*, Vol. 26 No. 3, pp. 461-91.

Engardio, P., Roberts, D. and Bremner, B. (2004), "The China price", *Business Week*, December 6, pp. 102-10.

Freedman, D.H. (2005), "The future of advertising is here", *Inc.*, Vol. 27 No. 8, pp. 70-7.

Godin, S. (1999), *Permission Marketing*, Simon & Schuster, New York, NY.

Heaton, T. (2006), "TV News in a Post Modern World: New Metrics and Principles", available at: www.thepomoblog.com/papers/pomo54.htm (accessed November 12).

Hymer, S. (1976), "The international operations of national firms: a study of direct investment", PhD thesis, MIT Press, Cambridge, MA.

Mackay, R. (2006), Vice President of Internet sales and marketing, Step2 Corp., personal communication.

Tennant, R.B. (1950), *The American Cigarette Industry*, Yale University Press, New Haven, CT.

Williamson, O.E. (1975), *Market and Hierarchies*, The Free Press, New York, NY.

Further reading

Lehman, J. (2006), available at: www.lehmans.com (accessed November 9).

Corresponding author

Andrew R. Thomas can be contacted at: art@uakron.edu

To purchase reprints of this article please e-mail: **reprints@emeraldinsight.com**
Or visit our web site for further details: **www.emeraldinsight.com/reprints**

المنارة للاستشارات

www.mana

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.

للاستشارات المنارة

www.manaraa.com