

Direct Marketing Vs Creative Marketing: Evaluation and Analysis in Malaysia

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Abstract-Marketing is the only business function that truly engages with customers. Marketing can be divided into two type which are the direct marketing and creative marketing. Direct marketing is a database driven marketing strategy, which relies on communication with customers whilst creative marketing is the technique of building customers trust and loyalty. For this paper, it consists of five parts or chapters. The first part is introduction to the research conducted while the second part is related to the review of literature regarding direct marketing and creative marketing. The third part focuses on the research conducted through surveys by distributing questionnaires to the entrepreneurs from various type of industries in Malaysia. Meanwhile, the fourth part is pertaining on the results of the research conducted along with some discussion. The final and last part would be the conclusion and a few recommendations on the overall research. As a whole, the study regarding direct marketing and creative marketing is an interesting field to study however, there is still a challenge because knowing more about the field require more and deeper analysis on each one of it in order to gain a positive impact on building relations with clients, fulfilling their needs and demand along with having more sales.

Keywords: Direct Marketing, Creative Marketing, Evaluation and Analysis.

I. INTRODUCTION

Today, marketing is basically about creating customer value and building the relationship between both customer and business that at the end will gives benefits to both parties. The world of marketing is changing rapidly due to new technology which the marketing channels have been upgraded this new year back with the availability of internet (Armstrong and Kotler, 2013).

Generally, the process of marketing is a way of satisfying customer needs. This is said because the products or services were able to be sold without paying much attention to the selling process. Hence, that results in the ability of customers to engage to the company and values relationship between customers and companies (Armstrong and Kotler, 2013).

This research takes a look into the common way of marketing since for the case of small businesses; they would probably have very limited resources to use in marketing. Therefore, their marketing technique should be directed straight towards the potential customers which is also known as direct marketing. Also, for the business that would like to take a step further and gain more profit, it is recommended to use the creativity concept in marketing or creative marketing instead of just relying on direct marketing.

Different ways of marketing will attract different type of customers that will later then give challenges to the business. This research looks into the issues on the marketing techniques used and how they market their product in order to engage with the customers attention. Also, the main idea or focus in conducting this research is to understand the different marketing methods. Hence, more extensive understanding regarding the world of marketing needs to be gathered. The aim of this study is to help businesses out there especially in Malaysia to identify different ways of marketing available to attract more customers.

Many businesses out there especially small businesses are having difficulties in finding which kind of marketing approach should they choose. The main reason that cause a constrain to them is because of the budget that will only stretch to one or another, not both. To make up with the decision is not an easy task, a lot of things and areas need to be taken into account for instance which method of marketing will give more profits to the company? How do I know this kind of marketing channel is the best of the best? Who would be responsible and can be trusted with the marketing matters? All these are the questions that pops out which then give a hard time towards the business owners themselves especially the ones who is new in the industry. The study examined the following research questions:

1. What is the difference between direct marketing and creative marketing?
2. Is direct marketing really the most effective form of marketing?
3. Do entrepreneurs implement the principles and concepts of creative marketing in their business?

The objectives or the aim of the study are as follows:

1. To describe the differences between direct marketing and creative marketing
2. To investigate whether direct marketing really is the most effective form of marketing
3. To investigate what medium that business owners/entrepreneurs usually use to ensure that their business is at the top in the industry
4. To describe the limitation or the problem that entrepreneurs encounter whenever they use that particular medium or channel of marketing for their business

5. To determine whether entrepreneurs do implement the concept of creative marketing in their business.

The study also developed the following null hypothesis:

1. H1: There is a significant relationship between direct marketing and the target market
2. H2: There is a significant relationship between the creative marketing and the target market
3. H3: There is a significant relationship between the expenditure and the direct marketing
4. H4: There is a significant relationship between the expenditure and the creative marketing
5. H5: There is a significant relationship between the expenditure and the target market

II. LITERATURE REVIEW

2.1 Definition of marketing

The term “marketing” comes from the word market which indicates a group of buyers and sellers (usually producers and consumers) bargaining over the terms of exchange for goods and/or services. As mention earlier, most people would probably define marketing as selling or advertising. However, that is not just it. Based on marketing scholar, he defined marketing as “the creation and delivery of standard of living” (Malcolm P. McNair, 1968). there’s basically a huge difference between these two definitions. One is very specific and the other one is very general. The first definition focuses on the activities conducted by an individual business firm while the second definition gives more attention on the economic welfare of a society.

2.2 Importance of marketing

Marketing is said to be having a large share of the buying dollar. An analyst, Prof. Reavis Cox said that approximately 41.7 percent goes for marketing activities whilst other analyst estimated and calculated that it is up to 58.9 percent. Thus, the average estimation for the cost of marketing is about 50 percent of consumer’s dollar. (Reavis Cox, 1995)

Basically, marketing is everything around us. It effects almost every aspect of a person’s life. From the items that a person purchases to the stores that we when to shop, the salesperson that approach us to all those advertising that we see and read. This is all part of marketing. Additionally, some other part of marketing includes the newspaper and magazine that we read, the radio that we listen to, along with the television programs that we watch were largely paid for advertisers. Even the job resume is a part of marketing campaign in order to sell himself or herself to some employer.

Marketing play a huge role in a society especially in a company. Even if a person is not into marketing but they still probably have to work with marketing people. A company that is unable to publish or sell its products, will no longer need the profession of accountants, computer programmers, financial managers, personnel managers, production managers, traffic managers nor credit managers. This is

related to the phrase that usually people said, “Nothing happens unless the cash register rings”.

The final and the most important thing about marketing is that it is a vital aspect for economic growth and development. Marketing actually stimulates research and innovation which later then results in new products. This new product if found attractive by customers will then enable to lead to fuller employment, higher income plus a higher standard of living. Thus, an effective marketing system is extremely important because it is the future of our nation along with other nations as well.

2.3 Direct marketing

Direct marketing is a vital element in creating a good relation or connection with the clients for presentation of new products/services along with making sales. Direct marketing comprises of variety of skills or techniques in approaching new client. In order to build a relationship between seller and a buyer, techniques such as e-mails, telephones, fairs, festival and many others are some of the ways that allows immediate feedback.

Direct marketing is one of the methods in gaining and keeping clients by contacting them without mediator. The term “direct marketing” was an idea of an American pioneer named Lester Wunderman in 1961. Direct marketing is said to be the process whereby the individual answers the consumers (Baker, 2003). Also, direct marketing is basically a relative process, a process of trade, research, conversion and maintenance by different means for sale and direct relation with clients. It is actually involving four main aspect which are relation marketing, the process of research, conversion and maintenance, information and control in the individual level and advertisements as a direct answer (Miglautsch and Bauer, 1992).

2.4 Creative marketing

The need of creative marketing in every business is represented by its ability to interact with its clients and to fulfill their needs via its current products or the new product development that regularly meet the client’s changing taste. Creative marketing is one of the variables that has an effect towards the capability of businesses to grow, become successful and to maintain in the industry.

Researcher define creative marketing as “launching new unconventional ideas in marketing process” (Lammer, 2009). Lammer also added, creative marketing is the creative administrative position motivating trading and hiring based on the needs of clients and conducting researches to satisfy those needs (Lammer, 2009). For Moore, his definition on creative marketing is customer-oriented. He believes that creative marketing enhances the operations via marketing means of communication for instance websites, viral marketing, deals done instantly with the clients (Moore, 2004). According to Singh and Wardell, they refer creative marketing as the adoption of new innovative ideas in the field of marketing in

order to improve its current products or new products by being oriented with new ideas and trends (Singh and Wardell, 2014).

The concept of creative marketing is all about the “brand”. Relevantly, it actually helps entrepreneurs to pick the right product and even choose the right marketing program, to the best by putting the brand in the “top in mind” of the clients without even thinking about it.

Creativity is referring to doing what has never been done before which comprises the understanding, invention and investing. Creativity involves in introducing new unfamiliar ways and ideas to the business. Let see the concept of creativity more on the element of marketing mix (product, price, promotion and placement).

Creative products: initiating new ideas inspired by the creator himself in order to produce a new product or relatively improve the characteristics of current product in a way that it is able to satisfies the needs, desires and expectations of the clients and putting them into action

Creative pricing: even though it is a difficult task to be implemented because it requires of constantly changing factors that is out of the control of the business. However, it can be carried out by a number of pricing methods depending on the demand, cost, competition and product shaping (Bonnar, 2009).

Creative promotion: it involves in initiating new ways to raise the clients understanding and awareness of the product and influence them to buy. Attending or conducting a special event to promote the product is one of the ways in creative promotion.

Creative placement: it refers to providing new ways and methods in distributing products. In order for a product to make its way into the market, the product has to undergo a series of distributing channels before reaching the hands of the clients. Hence, creating new distribution channels instead of using the conventional ones is vital to ensure clients is satisfied and the product is still in a good shape and quality

III. METHODOLOGY

3.1 Research Design

Research design can be regarded as the structure of research which is the fundamental element in a research project. Different social scientists define research design in their own different term. According to Henry L. Manheim, research design not only anticipates and specifies the seemingly countless decisions connected with carrying out data collection, processing and analyzing but it presents a logical basis for these decisions (Henry L. Manheim, 1977). “Research design is the plan, structure and strategy and investigation concaved so as to obtain ensured to research question and control variance” (Ahuja Ram, 2010). Zikmund states that research design, “a master plan specifying the methods and procedure for collecting and analyzing the

needed information” (Zikmund William, 1988). Generally, all these definitions focus on a systematic methodology in collecting the right information for interpretation and procedure.

There are different types of research design that can be carried out. Those main types are exploratory research, descriptive research, explanatory research and evaluation research. The purpose of having many types of research design and finding the best which fit to the research being carried out is similar to those architects choosing layout from its many designs to fit a specific landscape. On a general basis, the research design is basically divided into two view point which are quantitative research design and qualitative research design. In this case study, entrepreneurs in Malaysia particularly have chosen the quantitative research design in order to obtain data regarding the direct marketing and creative marketing. The numbers and statistics acquired were later then used to explain and analyze the findings.

3.2 Population and Sampling

A population can be described as a group of individuals with the same species living together in a given area. According to Polit and Hungler, they refer population as an overall of totality of all objects, subjects or members that behave in the same way to a set of specification (Polit and Hungler, 1999). A population can thus be defined as the number of characteristics within a group that researchers use to draw conclusions above the subjects in a study. Also, a population can be vague or specific. For example, in this study, “entrepreneurs” is a well-defined group of individuals which can be considered as a population and all the members of this population are indeed all business owners running their own business. Based on the statistics data from the Department of Statistics Malaysia, up until 2016, there were about 700,000 entrepreneurs registered in Malaysia that operate in the agriculture, manufacturing, service sector and many more.

The basic rule in sample size is to always have to use the largest sample as possible. This is because a larger sample indicates that more representative it would be. The same goes to having smaller sample would produce less accurate result because they are prone to be less representative of the population (LoBiondo-Wood and Haber,1998). The targeted sample size is 90 entrepreneurs however, only 56 entrepreneurs have responded and taken as a sample for this study.

3.3 Research Framework

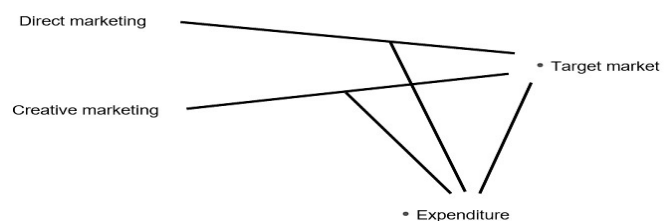


Figure 1

3.4 Data collection

Research is an activity that is more than just collecting information or writing a description. It involves the collection of information in a targeted issue. The collection of data is the heart of any research design, regardless of the field of study. Data collection is the process of gathering the information carefully, with least possible distortion, so that the analysis could provide answers that are credible and stand to logic (Sapsford and Jupp, 2006).

For this study, the data collection method used is online questionnaire surveys which is the Google Docs. This online questionnaire data collection is basically a web-based survey use to both deliver information and collect information from the targeted audience. For the purpose of the study, this online questionnaire was distributed among the entrepreneurs from different kind of background.

IV. RESULTS AND DISCUSSION

4.1 The respondent's profile

A respondent profile is the profile or background of the respondent. It comprises of gender, age, type of business they are in and the period of time that they have been doing business. The characteristic of each demographic profile is described below.

Elements	Classifications	#	Percentage
Gender	Female	21	37.5
	Male	35	62.5
Age	21 - 30	17	30.36
	31 - 40	15	26.79
	41 - 50	13	23.21
	51 and over	11	19.64
Period in business (year)	Less than 1	6	10.71
	1 - 5	32	57.14
	6 - 10	12	21.43
	11 and above	6	10.71
Type of business	Sole proprietorship	41	73.21
	Partnership	7	12.5
	Sdn. Bhd. Company	8	14.29

The primary data for this research was collected using a tool in the survey type. 90 surveys. However, 56 surveys were obtained and analyzed as shown in Table 1 above. The results show that 30.36% of respondents are between 21 and 30 years old. Moving to the Period in business among respondents, this result is 57.14% of the respondents between 1-5 Period in business. Looking at the Type of business, the result shows that 73.21% of respondents have Sole proprietorship Type of business.

4.2 Data analysis

In this section, all the data collected pertaining the study are presented here. The first information obtain right after the respondent profile is to know what nature of business all of the entrepreneurs are involved.

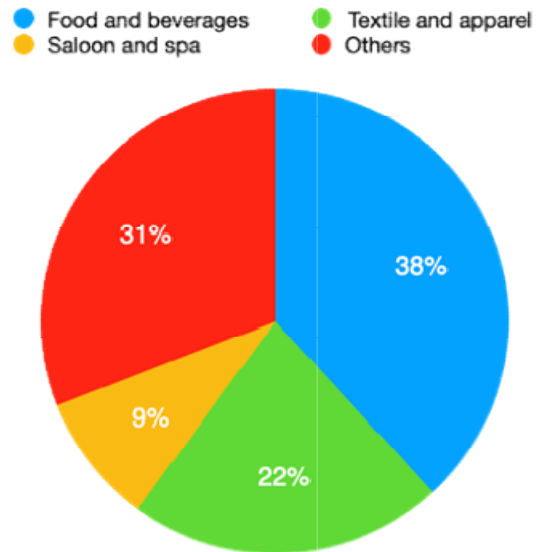


Figure 2

As seen from the above chart, it shows that most of the respondents are from the food and beverages industry. It is followed by the category “others”. In this category, the nature of business recorded were retail, automotive, education, financial services, arts and crafts and printing.

Next, the question regarding the medium that entrepreneurs use to market their products are presented below.

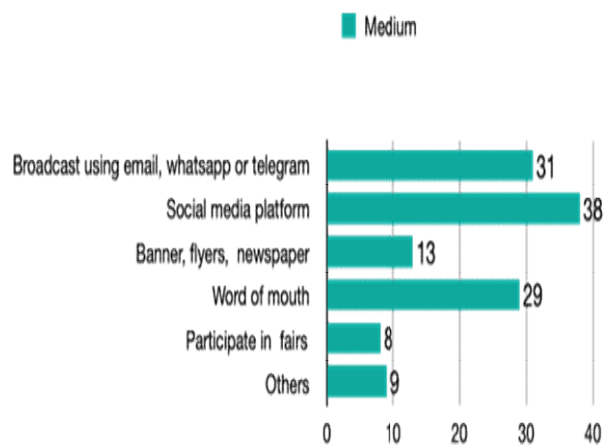


Figure 3

For this particular question, the respondents are allowed to choose more than one answers. As seen above, it is clear that most entrepreneurs used social media as a platform to market their product. This social media platform comprises the usage of Facebook and Instagram. The second highest form of marketing is via word of mouth. Spreading the products or services just by telling and sharing to others. For the “others”

category, the answer received on the section are agents, sponsorship and the use of social media influencer. This particular method is actually categories into the creative marketing techniques.

V. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Discussions of Findings

The objective to the study which is to identify and evaluate the effectiveness of direct marketing and creative marketing on the targeted market or towards the business has achieved the target. Based on the research question and all the five hypothesis developed from the previous studies, the findings indicate that the hypothesis is accepted.

- H1: There is a significant relationship between direct marketing and the target market
- H2: There is a significant relationship between the creative marketing and the target market
- H3: There is a significant relationship between the expenditure and the direct marketing
- H4: There is a significant relationship between the expenditure and the creative marketing
- H5: There is a significant relationship between the expenditure and the target market

With respect to the result obtained from the survey, there is a positive result showing that there is a relationship between, direct marketing and the target market, the creative marketing and the target market, the expenditure and the direct marketing, the expenditure and the creative marketing and lastly between the expenditure and the target market.

Based on the research design used in this study, a total of 90 entrepreneurs were invited to participate in this study. However, only 56 of them responded and participated with a response rate of 62.22%. The respondent chosen to be in this study are entrepreneurs all over Malaysia regardless of their background, their type of business or the industry that they are in. This study is conducted via the availability of the respondents without coercion. The data collected or the participants responses are recorded using an online questionnaire which is the Google Doc. It is then interpreted more as stated in Chapter 4. For the following discussion, the answer pertaining the research question is given.

- *Research question one: What is the difference between direct marketing and creative marketing?*

Direct marketing can easily be defined as approaching the customers directly or taking up close and personal approach whilst creative marketing is basically the ‘awareness’ approach to grow customers loyalty.

- *Research question two: Is direct marketing really the most effective form of marketing?*

Based on the study conducted, it is clear that social media platform is the most used marketing tool by most

entrepreneurs to promote their product. Since promoting products or services via social media platform is under the direct marketing category, thus it can be concluded that direct marketing is the most effective form of marketing.

- *Research question three: Do entrepreneurs implement the principles and concepts of creative marketing in their business?*

Entrepreneurs do implement the principles and concepts of creative marketing in their business. This is proven by the fact that there are some entrepreneurs used the method of including a social media influencer as a tool to market their product.

5.2 Contribution

Based on the discussion, this study is expected to contribute to the research on both the direct and creative marketing respectively. This study intends to provide businesses with a clear view on executing direct marketing or creative marketing. It could be used as a guideline for entrepreneurs to execute it within the business. There are many businesses that practices direct marketing and creative marketing in different forms without knowing that it is, in fact, a well-studied marketing process. Thus, this study is expected to make a significant contribution for the businesses operating in various industries.

In term of theoretical contribution, this research focused on the direct marketing and creative marketing studies in general. There are many terms used to refer the direct marketing and creative marketing. This term has caused a confusion among academics and practitioners that at the end has cause a problem. The main issue being debated is the lack of distinctive of the common ground on direct marketing and creative marketing. Having considered this, this study attempted to provide the difference between both direct and creative marketing.

Whilst for the practical contribution, the most significant findings are that businesses can greatly performed well with the integration of both direct marketing and creative marketing. Through this study also, it gives an opportunity for entrepreneurs to develop marketing strategies in achieving their goals for the business goals.

5.3 Limitations

The limitation arises on the sampling methods used. The non-probability sampling is cheaper and more convenient however, there is a tendency of some individuals have no chance of being selected since this method does not start with a complete sampling frame. The outcome may lead to having a hard time estimating the effect of sampling error and along with facing a high risk of ending up with a non-representative sample which then gives out a non-generalizable result. To be exact, the result from the non-probability sampling method used which is the convenience sampling is likely to be a significant bias. This matter occurs in conjunction of those

participants who took part in the study may differ from those who choose not to participate. This is also known as a volunteer bias that actually a risk towards all the non-probability sampling method.

5.4 Recommendation for future research

The future research in investigating the direct marketing and creative marketing would be using the action research as a research methodology. Action research is a process where the researchers enter a real-world situation in order to gain more knowledge about it (Checkland and Holywell, 2007). The objective is not only to learn lessons but also to evaluate the adequacy of the latter. This learning process in action research would enable to result in changes and modification that hence will improve the direct marketing and creative marketing applications within the businesses.

5.5 Conclusion

It can be concluded that an effective marketing system is the main ingredient that will result in a better economic development and vice versa. As a matter of fact, a management expert, Peter Drucker once said that marketing would probably be the key to growth in less-developed nations.

Marketing occupies a critical role in respect to the development of such “growth areas”. Indeed, marketing is the most important “multiplier” of such developments.

It is in itself in every one of these areas, the least developed, the most backward part of the economic system. It’s development, above all others, makes possible economic integration and the fullest utilization of whatever assets and productive capacity an economy already possesses. It mobilizes latent economic energy. It contributes to the greatest needs: that for the rapid development of entrepreneurs and managers, and at the same time it may be the easiest area of managerial work to get going. (Peter F. Drucker, 1958)

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