

different aspects. The most respected researches in this sphere Pine and Gilmore urge to theme the experience, harmonize impressions with positive cues and eliminate negative ones. Moreover, according to them, memorable experience is one that engages all five senses.

The experiential economy delivers good returns all over the world. The most initiative entrepreneurs intend to develop the economy of experience in our country too. A large-scale innovative project on developing the topical tourist routes Belarus N carried out by Belorusneft Company in cooperation with the communication agency Group NEF was launched in May, 2015. Fuel filling stations will serve as information, resource and equipment centers for tourists. The single standard branded service and learning program will be offered to tourists making trips under the project. Belarus N promises great economic benefits for our country and will create a positive image of the state.

Nevertheless, experiences are not the final economic offering. The next stage in the evolution of economy will be economy of transformations – changes of the client himself to the best. Then the key to success will be understanding of the aspirations of individuals and companies, as well as the ability to help them in the realization of these aspirations.

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## DIRECT MARKETING: ADVANTAGES AND DISADVANTAGES

Direct marketing (DM) is a very popular and its common practice is to inform people about goods and services, to make them buy a product and to establish good relationships with them. The issues I'm going to touch upon are: what direct marketing is and its main advantages and disadvantages.

DM is defined as communicating directly with the targeted customers on an individual basis so that immediate response can be obtained. Interaction must take place in DM and therefore it is called a two-way of communication.

If it is well-planned DM is very effective marketing strategy. The first reason that determines effectiveness of DM is its high orientation to prospective customers. It means that, at first, a company takes time to identify its prospective customers (customers whose needs it can meet) and then focuses efforts on landing this group of customers and building strong relationships with it. To be sure, these efforts have more chances of achieving results because these customers are interested in company's product. The second advantage of DM noticed by experts is that its cost is not too high in comparison with mass media advertisement which is aimed at covering all customers of the market. As a result, DM can be used by small companies with tight marketing budget. The third advantage, as researches show, is that DM improves customer loyalty. Customers are personally addressed and are provided with a phone number or return address to easily get in touch with a company. These make them believe they are important for a company. One more advantage of DM is that it provides opportunity to re-establish relationships with lapsed customers and results in bigger sales. At the same time, it is very difficult to get on track with lapsed customers using conventional marketing techniques. What is more, DM, as practice demonstrates, helps to track and measure the demand for company's product. If a company sent 1000 letters and got responses from 100 prospective customers, it means that at least 10% of group under study is interested in its product. Monitoring the demand, a company can adjust marketing strategy according to customers' preferences. One more positive aspect of DM is its quicker execution by contrast to mass-media campaign. Direct strategy can be planned, ordered and executed in just a few business days.

On the other hand, DM has limitations, and while developing marketing strategy a company has to take them into account because they decrease the effectiveness of DM. The first disadvantage that should be mentioned is that it takes time to reach consumers. While a company that uses DM is waiting for consumers its competitors reach them through potentially more efficient advertising (radio and television). The second drawback which is also a sensitive issue for customers is that DM creates a situation of intrusive communication for customers. More often than not, customers don't like spams in their e-mail inboxes and flyers in their mail boxes and it creates

negative company's image. To add to foregoing limitations, the distribution of flyers and street advertising are often prohibited by law in certain areas. It means that certain customers will be unreached.

DM is a common practice all around the world and can take any forms: from face-to-face selling to online marketing. For example, Mary Kay and Avon use face-to-face selling, Burger King uses online marketing contacting with customers through mobile web site, Otto uses catalogue marketing sending catalogues of clothes to customers. But it is necessary to clarify that the majority of corporations use DM combined with conventional marketing. For example, Dell Computers uses TV, newspaper and magazine advertising as well as mail and online marketing. As for DM in Belarus, it is used in a less degree than conventional marketing techniques. Generally, DM is applied by internet-shops, for example Lamoda.by and Wildberries.by.

To make a conclusion, DM practice has both benefits and drawbacks. That's why when a company makes a decision to use DM, it should be ensured DM is an appropriate method for the product or service being promoted. It is necessary not to overdo with it, combining DM with not less effective instruments of conventional marketing in the right proportion.

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## BEHAVIORAL ECONOMICS: WHAT DRIVES OUR CHOICES?

Behavioral economics (BE) studies the effects of psychological, social, cognitive, and emotional factors on the economic decisions of individuals and institutions and the consequences for market prices, returns, and the resource allocation. Behavioral economics is primarily concerned with the bounds of rationality of economic agents.

There are several theories in BE, that help us understand, why we make these or those certain decisions. One of them is the idea of Bounded rationality. It tells us that often people behave irrationally because they do not have the information they need to