

# **Marketing Communications of the Company Gastrotrs, Ltd.**

Eva Rybecká

---

Bachelor Thesis  
2011



**Tomas Bata University in Zlín**  
Faculty of Humanities

---

Univerzita Tomáše Bati ve Zlíně  
Fakulta humanitních studií  
Ústav anglistiky a amerikanistiky  
akademický rok: 2010/2011

## **ZADÁNÍ BAKALÁŘSKÉ PRÁCE**

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Eva RYBECKÁ**  
Osobní číslo: **H08379**  
Studijní program: **B 7310 Filologie**  
Studijní obor: **Anglický jazyk pro manažerskou praxi**

Téma práce: **Komunikační politika firmy Gastrotrs, s.r.o.**

Zásady pro vypracování:

**Komunikační proces**  
**Marketingové komunikace**  
**Vytváření reklamní kampaně**  
**Informace o společnosti Gastrotrs, s.r.o.**  
**Komunikační politika ve firmě Gastrotrs, s.r.o.**

Rozsah bakalářské práce:

Rozsah příloh:

Forma zpracování bakalářské práce: tištěná/elektronická

Seznam odborné literatury:

**ARMSTRONG, G., KOTLER P. Marketing: An Introduction. 7th ed. Upper Saddle River, N.J.: Prentice Hall, 2004.**

**FILL, CH. Marketing Communications: engagement, strategies and practice (4th Edition). 4 ed. New York: Prentice Hall, 2005.**

**PELSMACKER, P. De. Marketing Communications: A European Perspective. 4 ed. N.p.: Financial Times Management, 2010.**

**PICKTON, D., BRODERICK A. Integrated Marketing Communications. 2nd ed. Upper Saddle River, N.J.: Financial Times Management, 2005.**

**PŘIKRYLOVÁ, J., JAHODOVÁ, H. Moderní Marketingová Komunikace. Praha: Grada Publishing, 2010.**

Vedoucí bakalářské práce:

**Ing. Mgr. Dagmar Svobodová**

Ústav anglistiky a amerikanistiky

Datum zadání bakalářské práce:

**15. srpna 2011**

Termín odevzdání bakalářské práce:

**25. srpna 2011**

Ve Zlíně dne 15. srpna 2011



doc. Ing. Anežka Lengalová, Ph.D.  
děkanka





doc. Ing. Anežka Lengalová, Ph.D.  
ředitelka ústavu

## PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

- odevzdáním bakalářské práce souhlasím se zveřejněním své práce podle zákona č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, bez ohledu na výsledek obhajoby <sup>1)</sup>;
- beru na vědomí, že bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému dostupná k nahlédnutí;
- na moji bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3 <sup>2)</sup>;
- podle § 60 <sup>3)</sup> odst. 1 autorského zákona má UTB ve Zlíně právo na uzavření licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona;
- podle § 60 <sup>3)</sup> odst. 2 a 3 mohu užít své dílo – bakalářskou práci - nebo poskytnout licenci k jejímu využití jen s předchozím písemným souhlasem Univerzity Tomáše Bati ve Zlíně, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše);
- pokud bylo k vypracování bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tj. k nekomerčnímu využití), nelze výsledky bakalářské práce využít ke komerčním účelům.

Prohlašuji, že

- elektronická a tištěná verze bakalářské práce jsou totožné;
- na bakalářské práci jsem pracoval samostatně a použitou literaturu jsem citoval. V případě publikace výsledků budu uveden jako spoluautor.

Ve Zlíně 24.8.2011

*B. Džal*

*1) zákon č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, § 47b Zveřejňování závěrečných prací:*

*(1) Vysoká škola nevydělečně zveřejňuje disertační, diplomové, bakalářské a rigorózní práce, u kterých proběhla obhajoba, včetně posudků oponentů a výsledku obhajoby prostřednictvím databáze kvalifikačních prací, kterou spravuje. Způsob zveřejnění stanoví vnitřní předpis vysoké školy.*

(2) Disertační, diplomové, bakalářské a rigorózní práce odevzdané uchazečem k obhajobě musí být též nejméně pět pracovních dnů před konáním obhajoby zveřejněny k nahlázení veřejnosti v místě určeném vnitřním předpisem vysoké školy nebo není-li tak určeno, v místě pracoviště vysoké školy, kde se má konat obhajoba práce. Každý si může ze zveřejněné práce pořizovat na své náklady výpisy, opisy nebo rozmnoženiny.

(3) Platí, že odevzdáním práce autor souhlasí se zveřejněním své práce podle tohoto zákona, bez ohledu na výsledek obhajoby.

2) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 35 odst. 3:

(3) Do práva autorského také nezasahuje škola nebo školské či vzdělávací zařízení, užije-li nikoli za účelem přímého nebo nepřímého hospodářského nebo obchodního prospěchu k výuce nebo k vlastní potřebě dílo vytvořené žákem nebo studentem ke splnění školních nebo studijních povinností vyplývajících z jeho právního vztahu ke škole nebo školskému či vzdělávacímu zařízení (školní dílo).

3) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 60 Školní dílo:

(1) Škola nebo školské či vzdělávací zařízení mají za obvyklých podmínek právo na uzavření licenční smlouvy o užití školního díla (§ 35 odst.

3). Odpírá-li autor takového díla udělit svolení bez vážného důvodu, mohou se tyto osoby domáhat nahrazení chybějícího projevu jeho vůle u soudu. Ustanovení § 35 odst. 3 zůstává nedotčeno.

(2) Není-li sjednáno jinak, může autor školního díla své dílo užit či poskytnout jinému licenci, není-li to v rozporu s oprávněnými zájmy školy nebo školského či vzdělávacího zařízení.

(3) Škola nebo školské či vzdělávací zařízení jsou oprávněny požadovat, aby jim autor školního díla z výdělku jím dosaženého v souvislosti s užitím díla či poskytnutím licence podle odstavce 2 přiměřeně přispěl na úhradu nákladů, které na vytvoření díla vynaložily, a to podle okolností až do jejich skutečné výše; přitom se přihlídáne k vyšší výdělku dosaženého školou nebo školským či vzdělávacím zařízením z užití školního díla podle odstavce 1.

## **ABSTRAKT**

Tato práce pojednává o problematice marketingových komunikací. V teoretické části je nejprve charakterizována marketingová komunikace jako celek a poté následuje popis jejích jednotlivých nástrojů. Poslední kapitola teoretické části je zaměřena na reklamní kampaň a fáze jejího vytváření. Praktická část nejprve popisuje společnost GastroTrs, s.r.o. s ohledem na její historii a současnost. Další kapitola vystihuje její marketingové komunikace. Konec praktické části je věnován SWOT analýze, která je vypracována a popsána. Na základě poznatků ze SWOT analýzy jsou navrženy doporučení na zlepšení marketingové situace firmy.

Klíčová slova: marketingová komunikace, komunikační mix, reklama, public relations, podpora prodeje, reklamní kampaň, SWOT analýza

## **ABSTRACT**

This bachelor thesis deals with the marketing communications issue. Marketing communications is characterized and marketing communications tools are explained in the theoretical part. The last chapter of the theoretical part is orientated on the advertising campaign and the stages of its development. Practical part describes the company GastroTrs, Ltd. considering its history and present times. Next chapter characterizes its marketing communications. SWOT analysis occurs in the end of practical part. This analysis is elaborated and further described. The recommendations are brought in according to the results of SWOT analysis.

Keywords: marketing communications, marketing communications mix, advertising, public relations, sales promotions, advertising campaign, SWOT analysis

## **ACKNOWLEDGEMENTS**

I would like to appreciate the goodwill of Ing. Ladislav Trs, the owner of the analysed company. He gave me all the important information which I needed to know. The second person who deserves my thanks is my advisor Ing. Mgr. Dagmar Svobodová. I am grateful for her patient behaviour and for the advices she gave me. My thanks also belong to my family and all friends who supported me when I was writing this thesis.

# CONTENTS

<b>INTRODUCTION</b> .....	<b>10</b>
<b>I THEORY</b> .....	<b>11</b>
<b>1 MARKETING COMMUNICATIONS</b> .....	<b>12</b>
1.1 The Process of Communication .....	13
1.2 Marketing Communications Mix .....	14
1.2.1 Direct Marketing .....	15
1.2.2 Sponsorship .....	17
1.2.3 Personal Selling.....	18
1.2.4 Advertising.....	21
1.2.5 Public Relations.....	23
1.2.6 Sales Promotions.....	24
1.3 Developing an Advertising Campaign.....	27
1.3.1 Creating the Message .....	27
1.3.2 Selecting Media.....	28
1.3.3 Evaluation.....	29
<b>II ANALYSIS</b> .....	<b>31</b>
<b>2 GASTROTRS, LTD.</b> .....	<b>32</b>
2.1 Basic Information about the Company Gastrotrs, Ltd. ....	32
2.1.1 History of the Company .....	32
2.1.2 The Company's Business.....	34
2.2 The Company's Marketing Communications .....	38
2.2.1 Long-term Promotions .....	38
2.2.2 Occasional Promotions.....	39
2.2.3 Marketing Communications Plan of a Particular Advertising Campaign .....	39
2.3 SWOT Analysis .....	41
2.4 Evaluation of SWOT Analysis and Recommendations .....	42
2.4.1 Strengths.....	42
2.4.2 Weaknesses.....	42
2.4.3 Opportunities .....	42
2.4.4 Threats.....	43
2.4.5 Recommendations and Warnings .....	43
<b>CONCLUSION</b> .....	<b>46</b>
<b>BIBLIOGRAPHY</b> .....	<b>47</b>



<b>LIST OF TABLES.....</b>	<b>51</b>
<b>LIST OF FIGURES.....</b>	<b>52</b>

## INTRODUCTION

I met marketing at the university for the first time and this subject really impressed me as it is interesting and creative. When I had to choose the topic of my bachelor thesis, I immediately decided for the economic orientation. The topic was quite open. It was called simply The Company XY. I only needed to find a suitable company because I had already known that the topic is marketing communications. It turned out that my choice was correct. I found out that I had no problems to find appropriate sources as there are many of them. I chose some of them which seemed the most useful for me.

The effective marketing communications is essential for each company. It helps with the building of public awareness which is the most important issue if the company wants to sell its products or services. If audience does not know the company or its products, it is rational that he will not buy it. I would emphasize the word effective because only marketing communications is insufficient. Inadequate communications can have the negative effect on a product or service. There is other option though. Sometimes the communications are excellent and the advertising is creative, entertaining and persuasive. The customers buy the product and realize that it is not as amazing as the commercial complimented it. It is important to have boundaries in both ways. Companies really have to work hard in this area as there are millions of products and each of them wants to be successful even in these times of crisis.

Marketing communications has also developed during period of times. It is not simple messages sending from producers to customers. It is integrated system of processes with the analysis in the beginning and coordination of all communications tools and measuring the effectiveness in the end.

The aim of this bachelor thesis can be divided into three parts; to describe the current situation in the company GastroTrs, Ltd., to elaborate the SWOT analysis and to invent own recommendation for the improvement of the situation so as to be practical for the analysed company.

The selecting of the company was a relatively complex process. I contacted several companies. Some of them did not answer my proposal and some of them were not suitable for me in the end. The appointment with the owner of Gastrotrs was friendly and agreeable. He promised me all the important information I needed. He was also curious about the incoming recommendations. That was the reason why I chose GastroTrs, Ltd.

## **I. THEORY**

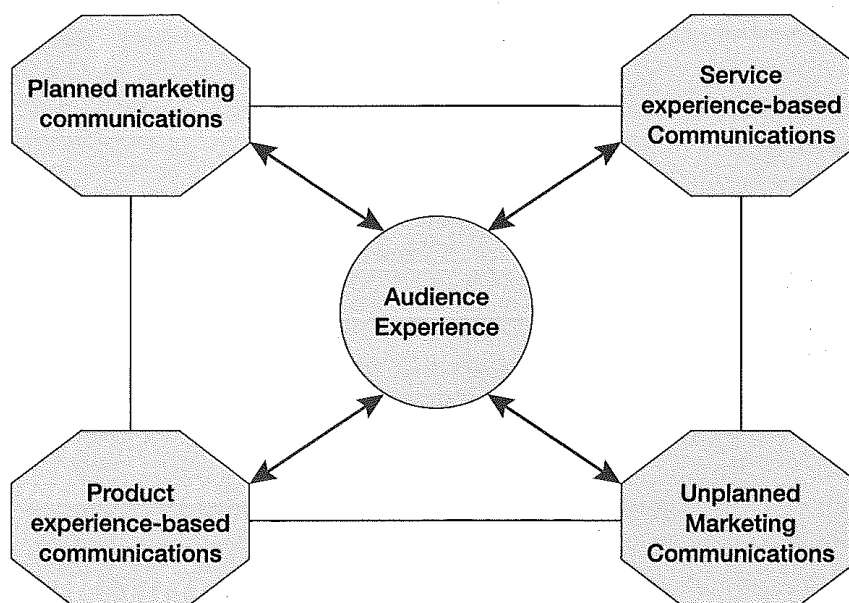
## 1 MARKETING COMMUNICATIONS

According to Fill, marketing communications is used to communicate elements of an organization's offering to a target audience. This offer can be connected to a product, a service or the organization itself as it tries to build a reputation. (Fill 2010)

In figure 1 it is demonstrated that not only these planned actions exist. Service experience-based communications are those actions, in which customers are sharing information about services. They ask each other whether they are satisfied with the services or not. Product experience-based communications are almost the same as the previous communications. The only difference is the fact that customers try to get to know the quality of the product while exchanging the experiences. The last group is called unplanned marketing communications. The example of this communications can be empty stock shelves.

There are three main elements of planned marketing communications: tools, messages and media. Message can be emotional or informative, but it is used usually as a mixture of these two. Examples of communications tools are advertising, personal selling, public relations, direct marketing, sponsorship and sales promotions. Media used can be divided into two main groups. The first one is called traditional media, such as print and broadcast. The second group is digital media. These are being more important in these days, as it can be seen on the internet and its influence. (Fill 2010)

Figure 1. A Macro-framework of Marketing Communications (Fill 2010)



The most important issue in marketing communications is to be ethically correct. Many companies do not follow this aspect and are often deceptive. The examples of deceptive practices could be the using of misleading labelling, describing size in misleading terms or the overstating the products' features. (Armstrong and Kotler 2010)

We should also distinguish the terms marketing communications and corporate communications. In fact, the term corporate communications can be seen as such a hypernym. It means that marketing communications is a part of corporate communications. The communications with employees or stakeholders are the examples of other corporate communications' parts. It is essential to mention that the marketing and corporate communications differs in content of communications, not in methods of communications. (Pickton and Broderick 2005)

## **1.1 The Process of Communication**

Communication can be defined as sending, receiving and processing of the information. The process of communication, which can be seen in figure 2, is part of any marketing activity. We consider the customer who wants to buy new roller skates in order to better understand the figure 2.

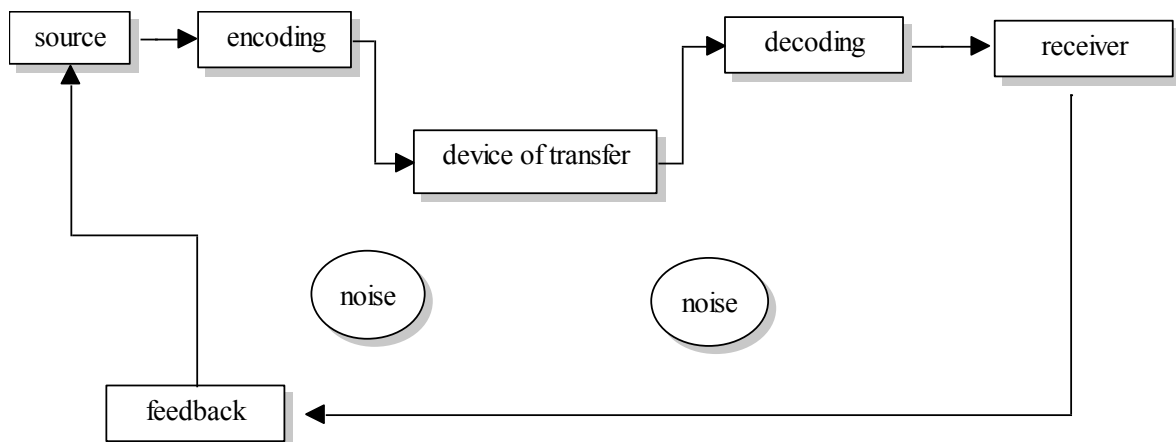
The sender is the company who produces or sells the sporting goods. Many of these companies either hire the advertising agencies or have their own marketing department. The encoding of the message is the next important step. A creative person takes the basic idea and transfers it into impressive advertising. The message is delivered to the audience by various devices of transfer such as television, magazines, radio, billboards, etc. The process of decoding occurs if the message affects one or more receiver's senses. The advertisement in television is seen and heard by the receivers, for example. It may occur that various people interpret one message in different ways. However, the excellent marketing communications means decoding of the message in the same way as the sender encoded it. The last step in the process of communication is the feedback in the form of purchase, questions or visits in shops. All of this means that the receiver now reacts to the message which has been delivered to him.

However there is some inconvenience which declines the effectiveness of each marketing message, known as the noise. The noise disrupts the message. The examples of the noise in case of television commerce are these:

- The viewer leaves during the commercials and goes to the kitchen to have a snack
- the commercial is shown during a programme, which the target audience of the commercial watches only occasionally
- the target audience did not get the purpose of the commercial
- the viewer telephones during the commercials

The most common form of a noise is a clutter. In these days the receiver sees hundreds of the marketing messages every day. That is why he is tired of all the advertisements and the result is that he does not pay attention to any marketing activity. (Clow and Baack 2008)

Figure 2. *The Process of Communication (Clow and Baack 2008)*



## 1.2 Marketing Communications Mix

Many people think that advertising means the same as the marketing communications, probably because it is the most visible means of communicating with the consumers. However, the communications mix consists of more tools that are as important as the advertising is.

- a) Advertising uses mass media such as radio, TV, billboards etc.
- b) Sales promotions are sales-encouraging actions, like loyalty programmes, sales, etc.

- c) Sponsorship is about helping each other. It appears in fields such as sport, media, arts etc.
- d) Public relations means communication that company initiates with its potential consumers and stakeholders.
- e) Point-of-purchase communications are tools used within the shop.
- f) Exhibitions and trade fairs are used in business-to-business markets. It is the best way to get contacts of their future customers.
- g) Direct marketing is a straightforward tool of communications. That means it communicates directly with the customers.
- h) Personal selling is again a direct way in communicating with customers. But in this case a representative of a company, e.g. salesman comes to a potential customer and personally demonstrates what the product or service is about.
- i) E-communications are a new and very important type of marketing communications. (Pelsmacker 2010)

### 1.2.1 Direct Marketing

The term direct marketing refers to all activities that include the communication with existing or potential customer. The aim of direct marketing is to create personal dialogue with the customers. (Fill 2005) Direct marketing has a long history. At first, it was in the form of sending of products from producer directly to the customer. In the next phase, the catalogues were sent by a mail. The main advantage of this communications' tool is the easy measurability of response. Direct marketing has many advantages for both the seller and the customer as can be seen in table 1. (Přikrylová and Jahodová 2010)

*Table 1. Advantages of Direct Marketing (Přikrylová and Jahodová 2010)*

<b>Customer</b>	<b>Seller</b>
Easy and fast purchase	More personal and faster addressing of customers
Comfortable purchase from home	Precise targeting
Wide range of goods	Building the long-term relationships with customers
Credibility of the communication	Measurability of the response and fruitfulness of purchase
Interactivity	Alternative of personal selling

However direct marketing has some disadvantages as well. It is not suitable for mass market and for the products with low costs per unit. It should be also mentioned that the expenses are relatively high. (Přikrylová and Jahodová 2010)

### *1.2.1.1 Direct Marketing Tools*

There are many different divisions of direct marketing tools, according to the various authors. Fill says that the main direct response media are direct mail, telemarketing and door-to-door activities. Přikrylová and Jahodová complement it with few other tools.

Direct mail means the message in written form which is delivered to the customer through the postal system. It has many forms such as the post cards, catalogues, brochures or leaflets. Direct mail can be divided into two parts:

- Addressed mail means that the text is addressed to the actual receiver. It should be personalized letter, a letter with a voucher or a letter with a sample.
- Non-addressed mail is in the form of leaflets or samples that are given to the customers on the streets or parking places. The difference is in the segmentation which preceded the distribution. The result is that these leaflets and samples are intended for a specific group of receivers which differs non-addressed mail from advertising. (Přikrylová and Jahodová 2010)

Telemarketing is the typical example of direct mail, as it provides the immediate feedback. It also offers the company to carry out marketing research which is measurable and accountable. (Fill 2005) The aim of telemarketing is to find, gain and evolve the relationships with the customers. There are two main types of telemarketing:

- Out-bound telemarketing consists in active addressing of the consumers where the initiative is on the company's side. The operators speak to a group of people which was segmented in advance.
- The basis of in-bound telemarketing is to receive phone calls. Customers are calling in order to discover the additional information, to notify complaints or to realize the order. (Přikrylová and Jahodová 2010)

Door-to-door methods are cheaper than direct mail. Both costs and responses are low. Many companies use door-to-door techniques in order to increase the marketing penetration. However this method is similar to personal selling. (Fill 2005)



### 1.2.2 Sponsorship

There are many definitions of sponsorship to be found. According to Marketing power dictionary, sponsorship is a promotional tool “that seeks to establish a deeper association and integration between an advertiser and a publisher, often involving coordinated beyond-the-banner placements”. (Marketing Power Dictionary) Pickton and Broderick adapted definition from Dr. Tim Berrett. He said that “sponsorship is a contribution to an activity by a commercial organisation in cash, or in kind, with the expectation of achieving corporate and marketing objectives”. (Pickton and Broderick 2005, 575) It is important to make a distinction between sponsorship and a charity. The charity is being made for a good image and for the company’s good feeling. On the other hand, sponsoring is being seen as a business relationship and a possibility for future competitive advantage. (Pickton and Broderick 2005)

#### 1.2.2.1 Sponsorship Development

In recent years three new areas of sponsorship have grown; broadcast sponsorship, product placement and cause-related marketing.

Broadcast sponsorship means that any or part of the programme’s costs is met by a person or an organisation that is not directly connected with the production. The aim is to promote its name, trademark or image during the programme. This form of sponsorship began in the US in the 1980’s. It spread widely with the invention of the satellite television and it has been developing substantially both in the radio and TV.

Product placement is defined as the insertion of, or reference to an item or service in a programme in return for payment. Nonetheless it is prohibited by some TV stations, such as the BBC. These televisions are finding it more and more difficult to control such cases. The restrictions, however, do not apply to films. As the growth of cinema, satellite and DVD was massive, this media are seen as increasingly feasible for the organisations. Pickton and Broderick exemplified this phenomenon with the Ray-Ban sun glasses in the film Top Gun. As this film became enormously successful, the glasses became synonymous with the main character of the movie, Tom Cruise, and the revenues of the company Ray-Ban increased rapidly.

The company can also take advantage of cause-related marketing. It means that the company wants to support some charitable cause or foundation. The help consist in donating staff time, product or finance. (Pickton and Broderick 2005)

It is important to mention the ambush marketing. It is a promotional strategy where the company tries to take advantage of the prestige of a property or activity by pretending that the company is a sponsor. (Marketing Power Dictionary) The aim of this kind of marketing is to weaken or ambush the competitor's official sponsorship. There are many ambush strategies. The company should sponsor just the media coverage of the event, but it does not sponsor the whole event itself. The other option is that the company sponsors a single athlete and run the commercials during the main event. Ambush marketing can become very popular. However there are many ethical considerations. (Pickton and Broderick 2005)

In recent years, new trends in sponsoring appeared. The focus has shifted from sports to the culture and entertainment. This means problems to some sport branches, as the most popular sports are sponsored, such as football and hockey. The sponsors often do not expect excellent sport results so the sport clubs usually have to offer satisfactory advertising effects and the adventure. (Toman 2007)

### **1.2.3 Personal Selling**

This kind of marketing communication involves a personal dialogue between two persons or by one person and a group. Message flexibility is an important feature, as it is the immediate response that often flows from use of this promotional tool. Personal selling differs from other communications tools because of the personal communication therefore the message can be tailored and made more personal. The main differences can be seen in tasks, role and types of the personal selling. (Fill 2005)

The tasks differ from company to company. The undertakers of personal selling are trying to get the orders from customers, so there can be distinguishes four main order-related tasks. Order takers are salespersons to whom customers are sent at the place of supply. The example of an order taker is reception a clerk at a hotel. Order getters work away from the company. They try to get the orders from potential customers by giving them the information about the product or service. Order collectors are gathering the orders without physically meeting with the customers. Order collectors communicate with customers electronically or by telephone. Order supporters are all those people who are

secondary salespersons in that they are involved with the purchase once it has been secured, or are involved with the act of ordering, usually by providing information. The example of this type can be financial advice services. (Fill 2005)

Three main types of sales behaviour are determined according to the fact that personal selling is interpersonal communication. Getting information means collecting information about customers, markets and competitors. Giving information is spreading information to customers. The example of this role can be sales presentation about a new product. Using information is the third role of personal selling. This role can be used when the customer has some problems and the salesperson needs to use information to solve this problem. (Fill 2005)

According to Fill there have to be examined the types of customer served through this interactive process:

- a) Intermediaries: This means the usage of selling offerings through a channel network to the other sellers. These sellers sell the offering to the others that are closer to the user.
- b) Industrial: Here business-to-business marketing is very often used. The basis of this type is to sell the components to the others so that they can use these components in their own products.
- c) Professional: This type requires thoughts and offerings to be advanced to specifiers and influencers. They will consecutively add in the offering within the project they are developing.
- d) Consumer: This form contains the communication with the end consumer. (Fill 2010)

### ***1.2.3.1 Strengths and Weaknesses of Personal Selling***

There are many strengths and weaknesses of personal selling, and even some strength can be seen as the weakness as well.

The main strength is the dyadic communication with the immediate feedback. This strength is unique within the all communications tools. The seller participates much in decision making and can influence the particular customer, which can be impossible in mass media, for example.

One of the major disadvantages of personal selling is the cost. It is said, that personal selling is the most expensive communication tool because the costs per unit are extremely high. The quality of the communication is threatened if the salesperson does not have excellent communication skills. On one hand flexibility is an advantage, but on the other hand it can lead to confusion of the customer because the message can be inconsistent. (Fill 2010)

### 1.2.3.2 Sales Processes

There were many different schemes during the history that explained how sales process works.

The AIDA sequence “says that prospects must be drawn along a continuum of mental states, from attention to interest, desire, and finally stimulation to act in accordance with the vendor’s wishes” (Fill 2010, 662). This scheme allows the salesperson to be flexible in his approach.

Another model is called a stimulus-response model. It suggests that if the salesperson is eligible to prepare a right sequence of circumstances, there is a high possibility of required response. The salesperson is taught how to deliver the right message, e.g. what to say. This is called stimulus. The customer adds the presupposed response. That is why this model is called stimulus-response model.

The third model is focused on buyer’s needs. If the buyer has a problem, the salesperson is in charge of finding the corresponding solution to this problem. According to Fill, the salesperson must recognize the cognitive processes of buyers regarding to their decision to buy or not to buy. This approach has been named the buying formula and is based on the satisfaction that a buyer experiences when placing orders as a resolution to conscious problems. (Fill 2010)

Figure 3. The Buying Formula (Fill 2010)



The principle of buying formula, which is shown in Figure 3, can be described as finding out the problem by a customer, followed up by offering a solution by a salesperson and then purchased. (Fill 2010)

#### **1.2.4 Advertising**

The advertising is the most important part of the marketing communications for many companies. It is non-personal form of communication, when different subjects address their current customers as well as the potential ones in form of various kinds of media. The aim of this behaviour is to inform and to persuade them about the usefulness of the company's products, services or thoughts.

The global and supra-national companies spent enormous amounts of money on advertising. These amounts often overreach the Gross National Product of the smaller countries. It can be said that the biggest proportion of advertising expenses on turnover have the mobile operators, producers of alcoholic and non-alcoholic beverages, cars or pharmaceuticals. (Přikrylová and Jahodová 2010)

There have been many discussions about how advertising works in last few years. There are two main poles with the opposite opinions, each having one representative J.P. Jones and A.S.C. Ehrenberg. One group led by Jones thinks that the advertising is a strong force as it has direct and positive impact on sales. On the other hand, Ehrenberg and colleagues argue that even advertising has a significant effect, it use the process of reinforcing values and maintaining brands instead of the mechanism of persuasion and brand differentiation. However both Jones and Ehrenberg do believe that advertising can be really effective. (Pickton 2005)

##### ***1.2.4.1 Types of Advertisements***

Each author of marketing communications book uses different division of the types of advertisements. This thesis describes approaches of two authors illustrating this topic.

According to Pickton there are several types of advertising:

- Full-display advertisements are those in printed media. It allows the freedom of creativity. Also a lot of colours, photos and drawings appear in this type. They are not limited in space.

- Semi-display advertisements are almost the same as the full-display ones but they are limited in a design. Usually, they do not contain graphics.
- Classified advertising are generally at the end of the magazine or newspaper. They contain information about birth, deaths, accommodation, finance and many others. The space for the classified ads is sold by the word or by the line, which is called wordage and lineage.
- Direct response ads contain a telephone number, postal or website address. These means let the consumer to take action and give him the chance to response to the advertisement.
- Web pages are colourful and include the audio, video or animation. Pickton considers web pages rather as means of the marketing communications. However they contain a lot of advertisements such as the banner ads etc.
- Banner ads appear on websites and they consist of the company's name, a short message, graphics and hypertext. They often move or flash.
- Intermercials are compared to the television commercials but they appear on the internet.
- Screen savers are being downloaded from the company's website. (Pickton 2005)

On the other hand, Přikrylová and Jahodová used another division. At first, they divided the promotional activities according to the orientation either to a product or institution. Product advertisement is non-personal form of selling goods or services. Corporate advertisement supports the company's concept, thought or philosophy.

Přikrylová and Jahodová divided types of advertisement into three categories according to the primary aim of the message:

- Informative advertisement supports a new item launching on the market. The aim is to inform the potential customers, that the item is available for them.
- The purpose of persuading advertisement is to increase the demand for goods, services, thought or situation. It is a competitive form of support.
- Reminding advertisement helps to maintain the brand, service or goods awareness. (Přikrylová and Jahodová 2010)

### 1.2.5 Public Relations

Public relations is used to create good relationships with the audience by gaining a positive publicity, building a fine corporate image. It can have the strong impact on public awareness with quite low costs. Comparing it with the advertising, company cannot pay the media connected to the public relations. The company pays rather for the staff. If the company invents an attractive story, several different media inform about it. So that the effect is the same as in advertising, but the costs are low and the credibility is higher. It can be said that the public relations is becoming the most powerful marketing communications tool.

According to Armstrong and Kotler public relations departments can perform these functions:

- *Press relations and press agency* – creating and placing interesting information in newspapers, television or radio in order to attract the attention
- *Product publicity* – means announcing specific product
- *Public affairs* – means to build up and to maintain national or regional audience relations
- *Lobbying* – means to build up and to maintain relationships with the legislators and governmental officials in order to affect the legislation or regulation
- *Investor relations* – means maintaining the relationships with the financial community
- *Development* – public relations with the members of non-profit organizations (Armstrong and Kotler 2010)

Fill has slightly different division. He divided public relation into two main groups; media relations and publicity or events.

Media relations serves as a supplier of the information for the media journalists and editors. Media relations is usually planned and controlled action. Here are the media relations which are most widely used:

- *Press releases* are the most common form of the media relations. It is the written report containing the developments in the company, its promotions, new products or services or new contracts. This report is sent to various media houses.
- *Press conferences* are applied when a major and important event has occurred. These conferences are often used by the politicians or organisations in the crisis.

- *Interviews* allow news and the organisation's view of an issue

Publicity and events are very important. The negative publicity can have the negative effect on an organisation because the others may have doubts about the company's financial situation or the quality of the products. Three main event activity areas can be differentiated:

- The aim of *the product events* is to increase the sales. They are intended to attract the attention of the media by inviting celebrities or demonstrating the company's products.
- *Corporate events* are used to develop the corporate body and often provide an entertainment. The open days or the factory visits are the proper examples.
- *Community events* contribute to the life of such a community. The examples of these events can be sponsoring of children's playgrounds or local fun runs.

These were the key activities according to Fill. He also added some other important forms of PR, such as lobbying, sponsorship, corporate advertising or the crisis management. (Fill 2005)

### 1.2.6 Sales Promotions

At the beginning it is essential to say that the sales promotions are the means of communications mix which should help to increase the sales in a short period of time. Promotions can affect the behavioural response immediately and the results can be measured easily. On the other hand an advertising campaign is used for a long period of time and it is used mainly for enhancing of the brand awareness. The results can be seen in long period of a time. "The main characteristics of promotions are that they are limited in time and space, they offer better value for money and they attempt to provoke an immediate behavioural response." (Pelsmacker 2010, 354). It can be said that sales promotions are expenses that are used by manufacturers in order to help enforcing products by the sellers. (Clow and Baack 2008) Sales promotions are becoming more and more important part of the communications mix. One of the reasons could be the communications clutter due to a lot of advertising. The consumers can get lost and then the sales promotions should appear. In these days there are many brands which mean that the consumers are not loyal to one particular brand. The decision making processes are usually realized within a retail outlet and these are often the impulse buying decisions. That is why many promotions take place



directly in the shops because it is very easy to influence the consumers there. (Pelsmacker 2010)

### ***1.2.6.1 Sales Promotions Tools***

There is a great number of promotional tools, but this thesis deals only with the most frequent ones which can be seen in table 2 and are described below.

*Table 2. Sales Promotions Tools (Clow and Baack 2008)*

Trade allowances
Trade competitions
Trade incentives
Educational programmes
Trades and exhibitions
Promotional items
Point-of-purchase advertising

- Trade allowances are the first and the crucial techniques of promotions. The aim is to give a special financial incentive to a potential customer which motivates him to make a purchase. There are various kinds of the trade discounts, such as off-invoice allowances, drop-ship allowance or slotting fees. The seller gets an off-invoice allowance, which is a special discount, if he buys a given amount of the goods to a certain date. Drop-ship allowance means leaving the distributors, wholesales and intermediaries. The seller buys the goods directly from the producers. This process has many advantages such as the strengthening of the relationship between seller and producer. Slotting fees are such fees the producers pay to seller. They are being paid in order to get producer's goods on the shelves.
- Trade competitions are being used to increase the sales. They take place on various levels; within intermediaries, within wholesales, or the sellers within the scope of such a shop. The principle of these competitions is that the seller, intermediary or wholesale who sells the greater amount of goods won the attractive prize.
- Trade incentives are similar to the sales discounts. However in this case, the seller gets the discount only if he performs such a function. The example of trade incentive is a cooperative merchandising agreement. It is the agreement between the seller and producer and it deals with the mutual marketing activities. Other trade incentive is

called a producing plant allowance. If the seller buys goods that fill the whole lorry up, he will get the discount. The reason for that is clear. It is cheaper, if the lorry stops only at one place. Concerning the transport of goods, back haul allowance is the next incentive. It means that if the seller uses own transport of the goods he will get the price cut.

- Educational programmes are being offered in order to give the sellers knowledge about a certain brand. There is a chance, that these sellers will later recommend this brand instead of the others.
- Trades and exhibitions are usually the third largest expenditure in the companies' marketing programmes. The aim of trades and exhibitions is to find new customers and to sell new products. There is also the chance to strengthen the relationship with current customers and the company can also meet the competitors.
- Promotional items are products like pens, calendars, cups, etc. These things are decorated with the company's logo or slogan.
- Point-of-purchase advertising is any form of a presentation in a certain shop. They are used either to make an impression just before the customer's final purchasing decision or to maintain customer's impression after leaving the shop. (Clow and Baack 2008)

Armstrong and Kotler used different point of view. They divided sales promotions to four categories; consumer promotions, trade promotions, business promotions and sales force promotions. Sales promotions' tools are related to this division.

- Examples of the consumer promotion tools are the price packs, samples, coupons, contests or games. Samples are the most common and the most effective tool. They are useful when launching a new product. The potential customer can test the product before they buy it. Coupons are very popular among the customers. The coupons provide a discount to the customer when buying a certain product.
- Trade promotion tools are similar to the Clow and Baack's trade incentives.
- Business promotion tools are used to promote the products to industrial customers. These promotions use some of the tools mentioned in the consumer or trade promotions. However the most important tools used here are the trades and exhibitions which were described above in Clow and Baack section. (Armstrong and Kotler 2010)

### 1.3 Developing an Advertising Campaign

This strategy consists of two main elements; creating a message and selecting the suitable media. In the past the selection of the media was viewed as a secondary process to the creation of a message. In these days, these two processes are seen as equal. (Armstrong and Kotler 2010)

#### 1.3.1 Creating the Message

The excellent advertising message is extremely important in these days as the marketing environment is often cluttered. According to Armstrong and Kotler, each person is exposed to 1,600 advertising messages a day.

The most important point is to break through the clutter. The television viewers watched the commercials involuntarily. However, there was a development of cable and satellite TV and remote-control units in recent years and the audience have many more options how to skip the advertisements. They can avoid them by watching the cable television stations that omit the advertisements. The other options are to turn off the sound or to switch to the other channels. The today's messages must be imaginative, entertaining and more rewarding to the customers.

The first step is to plan a message strategy, what message will be sent to the consumers. It is important to think about the benefits, which the consumers get if they think about or react to a product or a company. The advertiser must develop a creative concept, also called a big idea, in the next phase. At that time, the message became a great campaign. The campaign should have three characteristics. It should be meaningful, believable and distinctive. The latter means that it tells how the product is better than the others. (Armstrong and Kotler 2010)

Next point is the message execution when the creatives have to find the most suitable style, tone, words and format. There are many different execution styles:

- *Slice of life* shows typical people using the product in a normal setting.
- *Lifestyle* demonstrates how the product belongs to a particular lifestyle.
- *Fantasy* creates a dreamy setting around the product or its use.
- *Mood or image* builds a mood around the product or service.
- *Musical* shows people or cartoons singing about the product.

- The style *personality symbol* creates animated or real character representing the product.
- *Scientific evidence* presents a survey which shows that the product is better than the others. (Armstrong and Kotler 2010)

### 1.3.2 Selecting Media

This is the second most important point in the developing of an advertising strategy. Any mistake made in this step could cost the company a lot of money. At first, the company should make a survey which determines the target segment, its size and characteristics. The aim is the maximal coverage of a potential market.

Media can be divided into two groups; electronic media (television, radio, cinema, and the internet) and classic media (newspapers, magazines, outdoor and indoor media). Next few paragraphs deal with the description of these media, their advantages and disadvantages.

Advertisements in television can be divided to the international network, national, local, cable and internet television according to the transmission options. Television is a useful media for presenting the product and its functional benefits. It is also suitable for building the image of a brand or for selling. On the other hand, the audience can do many things when watching TV. This can have the negative influence on the commercial's effectiveness as well as the clutter.

Radio system is similar to the TV division. There are national, local, cable and internet stations. International stations exist as well, but they are limited in language. Radio is considered as a supplemental item, as it is noted only by hearing and usually is used only as a background. The costs are lower and it is also easier to contact the target groups thanks to the focus of each radio station. Radio is suitable for sales, open days, current or special offers. The main advantage of this media is the mobility as the audience usually listen to the radio when travelling to work or holidays.

Internet is the youngest and the fastest developing medium. In 2009 the internet was used by 54% of the population of the Czech Republic. It is cheap, fast and flexible medium with the high quality of services. The activity of the users is interesting and important issue for many selling servers. These people often share the experiences with the product with the other users. The banners are the most common form of advertising on the internet.

Newspapers are of national, regional or local character. The main advantage is the flexibility and social status. The newspapers deliver broad and detailed message as it is a static and visual medium. The reader is both the advantage and the disadvantage. On the one hand, he could influence the length of the attention. But on the other hand he can be inattentive during reading the newspapers.

Magazines can be divided according to the frequency of their release or their specialisation.

1) Frequency of release:

- a) Weekly – Reflex, Ekonom, Týden,...
- b) Fortnightly – 100+1, Autotyp,...
- c) Monthly – Automobil Revue, Praktická Žena,...
- d) Magazines published quarterly

2) Specialization of magazines:

- a) Consumer's
- b) Entertaining
- c) Professional

The main advantage of the use of the magazines is the ability to affect selected target group of the potential customers. The readers are quite fixed groups of people according to a character of the magazine. Advertisers have many options how to attract the readers. They can paste in some objects or put in the samples of any products.

Outdoor media are advertising boards, billboards, megaboards, posters, advertisements on means of transport or advertising clocks. They are used to quick passing of the simple thoughts, such as slogan or logo.

Indoor media are used in the shopping centres, schools or sport centres, where the large amounts of people gather. These media can promote the product or service in the shops where they are being sold. It is also the only possibility for products with legal restrictions on advertising to be promoted, such as tobacco. (Přikrylová and Jahodová 2010)

### 1.3.3 Evaluation

It is important to know, whether the commercial is effective. Copy testing serves as the measurement of the communications effect of an advertisement. It can be done both before

and after the advertisement is printed or broadcast. The communications effect can be evaluated easily. However the sales effects are hard to measure. There are two options to gauge sales effects; to compare past sales with past advertising expenditures or through the experiments. (Armstrong and Kotler 2010)

This division was described by Kotler and Armstrong. Fill explained this topic more in detail. He divided the advertising planning into eight parts; context analysis, promotional objectives, marketing communications strategy, coordinated promotional mix (methods, media), scheduling and implementation, resources, evaluation and feedback. (Fill 2005)

Another classification summarizes these two divisions. It can be also called the 5M's as it says that the development of advertising campaign consists of five components beginning with the letter M:

- Mission: what is the aim?
- Money: How much can be spent?
- Message: What kind of the message should be sent?
- Media: What media should be used?
- Measurement: How should be the results evaluated? (Bejtkovský 2009/2010)

## **II. ANALYSIS**

## 2 GASTROTRS, LTD.

### 2.1 Basic Information about the Company Gastrotrs, Ltd.

The company Gastrotrs, Ltd. possesses three restaurants and one bar in the centre of the Hodonin, in the southern Moravia. These restaurants are highly popular in Hodonin and its surroundings as they are not ordinary restaurants. All three restaurants have something that makes them special such as the location, interior of the restaurants or the sort and quality of the food provided. This chapter is elaborated mainly on account of the pieces of information which were offered by the owner of the company.

*Table 3. Information about the Company (Justice.cz)*

Trade name	GastroTrs, s.r.o.
Seat of the company	Hodonín, Mírové nám. 9, 695 01
Identification number	276 78 792
Legal form	Limited company
Day of enrolment in the Trade register	March 14, 2006
Subject of the enterprise	Innkeepers trade
Statutory body	Executives
Executive head	Ing. Ladislav Trs Jitka Trsová

The company has two owners. They are both the executives too as they participated in financing the registered capital with the same amount of money. The registered capital of the company is CZK 200,000 which means that each of them invested CZK 100,000. (Trs 2011)

#### 2.1.1 History of the Company

The beginning of the company is dated back to 1992. The main activity was mediation of services and consultations in the innkeeper's area. They were concentrated on economic consultations as well. The company also started to run a bar in Hodonin called The Fair Play Club in the same year. As the owners had previous experiences, the bar became profitable soon and the company could expand further. Thus new bars were built up in Hodonin and



its surrounding towns and cities, such as Kyjov, Veseli nad Moravou or Brno. In 1994 the company carried on six bars providing work for 21 employees. However the enterprise was not very stable because of the locations where the bars were situated. The buildings were often leased. Being there meant to withstand the rising lease or the substandard condition of the buildings. Some of those bars were closed in consequence of this situation and the last bar went out of business in 1995 in Hodonin.

The new era of the company GastroTrs, Ltd. began on 4<sup>th</sup> December 1997 when the first restaurant Taverna was opened on 7<sup>th</sup> Havlickova Street. As the aim was to create such a complex of restaurants that would be resisting to a competition, the next goal was to gain the property on 2<sup>nd</sup> Partyzanska Street. This is the place where the restaurant U Pirata was founded on 16<sup>th</sup> May 2000. Restaurant U Pirata offers a different cuisine than Taverna in order to be seen as competitor. Bar Stola was opened in two months. This coffee-bar is located below the restaurant U Pirata.

Since the original draft included also accommodation, the next point was to buy an estate next to Taverna restaurant in the Rodinova Street. There was an idea of extension of the buildings to create place for accommodation. Nevertheless the people living next to Taverna and U Pirata manifested the displeasure and the owners of GastroTrs, Ltd. did not obtain the building permission. Due to this situation, the property next to Taverna was reconstructed and the last restaurant Pizza Bar Plecharna was opened on 3<sup>rd</sup> March 2006. Plecharna differs from the other two restaurants as well.

It was necessary to create one corporate name and the uniform telephone number for the whole complex. The name GastroTrs and the number 539 029 500 were established. This telephone number represents such a centre that is used for orders. The customers can also telephone to all four operation units with regard to this single number. The professional restaurant system was established as well. This system functions as the mean of evidence and statistics.

The plan to build a system of accommodation still remains but the realisation of this project was disrupted by the World economic crisis. The crisis has appeared in all fields of the economic world. It affected also the company GastroTrs, Ltd. and the company now is not able to produce the sufficient amount of money needed for the further development of the company. Thus the company cannot continue with its plans concerning the scheme of accommodation units. The company takes care of the usual repairs and tries to keep the buildings in fine conditions according to common function of the business. GastroTrs, Ltd.

has naturally the contemporary objectives. As the company consists of four operating units, the aim is not to build another restaurant but to complete the plans mentioned above, to develop the accommodation system. However it all depends on the world economy, how it develops and when the crisis ends. (Trs 2011)

During working on this thesis, some changes appeared. The company was sold to Mr. Radek Tutovič on 1<sup>st</sup> January 2011, the circumstances were both personal and economic. In these days, the name of the company is GastroUnited, Ltd. as the new owner already had a restaurant and they just merged these properties together. This significant change was a surprise for me as it happened unexpectedly. Ing. Trs told me about this situation in the January 2011. (Trs 2011) I was thinking about change of the topic to marketing communications of the company Gastrounited, Ltd. However, I found out, that the situation in these two companies is similar. This was the reason why I decided to describe the situation before the merger. It is also important to mention the conversion of the former websites gastrotrs.cz on gastrounited.cz. Therefore is the website gastrounited.cz one of the sources of this thesis instead of gastrotrs.cz.

### **2.1.2 The Company's Business**

As the company undertakes the restaurants, it aims mainly at bar and cuisine. The cuisine differs from restaurant to restaurant, from Czech to Mexican food. The offer at the bar is always connected with the type of cuisine. Taverna proffers Czech food and the beer to drink. On the other hand U Pirata is Mexican food provided and the typical drink here is Tequila. (Trs 2011)

A wide range of target groups can be defined according to distinct interior of all restaurants. Considering age, sex, interests or social status, everyone can choose his or her favourite restaurant. Children often like the restaurant U Pirata that evokes the movie Pirates of the Caribbean owing to the cave interior. Adults and people with higher social status are fond of going to Taverna due to the interior that is not as extraordinary as in Taverna or U Pirata and the food provided here is the typical Czech cuisine. The company is focused on ordinary citizens as well as the high school graduates since these three restaurants are often the scenery of different kinds of social gatherings.

### ***2.1.2.1 Description of the Restaurants***

The first restaurant is called Taverna. It was opened on 4<sup>th</sup> December 1997 as the first restaurant of the company GastroTrs. The interior of this restaurant is in Old Czech style. Almost everything is wooden, such as chairs or tables. There are also some antique cupboards. Special names for food were typical for this restaurant before the merger, such as 'For the slim line' (Pro štíhlou linii), 'Soup is the most important meal' (Polévka je grunt) or 'From our piggy' (Od našeho vepříka). In these days Taverna and Plecharna have the same menu because of the location as these two buildings are next to each other. This restaurant is for 150 people. It can be divided into three parts, 76 people in the restaurant, 40 in the lounge bar and 34 in the tea garden. (Gastrounited 2011)

Restaurant U Pirata was set up on 16<sup>th</sup> May 2000 as the second restaurant. The cuisine is mainly Mexican with the meals such as burritos or tacos. There is a great choice of beverages as well. The typical drink is tequila, since it is the Mexican restaurant. The interior imitates the pirate cave. The lighthouse can be found in the centre of the room. U Pirata has a great deal of wooden furniture as Taverna has. The capacity of this restaurant is 106 places, 66 inside and 40 in the tea garden. There is no lounge bar. (Gastrounited 2011)

The last restaurant is Plecharna. This pizza bar came into existence on 3<sup>rd</sup> March 2006. As indicated by the name, this restaurant is aimed at pizza. The most interesting thing about this pizza bar is its design. The first item that is visible from the outside is the car crashed in the roof. Inside the building there are objects made from iron or glass. Machines or parts of the car can be seen in the restaurant as well. It can be said, that the interior resembles the factory. Plecharna has the lowest capacity from all three restaurants. This pizza bar is for 100 people, 52 in the tea garden and 48 inside. (Gastrounited 2011)

Stola is a bar, but the food is offered from restaurant U Pirata. This bar was established on 16<sup>th</sup> May 2000 as a supplementary component. Stola has nice interior simulating the coalminer's gallery. Capacity of the Stola is 44 places. (Gastrounited 2011)

### ***2.1.2.2 Management of the Company***

The management style is mainly democratic as the manager distributes some of his responsibilities to his subordinates. Describing the structure of the company, each operating unit has own head of operating unit or manager of business. This person performs the routine activities such as the ordering of goods, billing, implementation of the data into the

company's system or controlling the ordinary running of the restaurant. They are not concerned about the personnel or human resources. The owners of the company Mr. And Mrs. Trs have other duties such as the recruitment, planning of the shifts or arranging the holiday.

GastroTrs, Ltd. uses a double-entry bookkeeping so that it has the lucid record of company's stock, revenues, profit and loss statement or the wages and their amounts. The system of payment is based on the invoices, which means that the company delivers money to the bank and it is then sent to the bank accounts of the contractual partners. Payment by cash is applied only in rare situations. The employees obtain their wages to the bank accounts as well. When the document is processed at the particular operating unit and the invoicing is completed, the documents are distributed to the accounting company that externally copes with these documents. The external company deals with the documents until the profit and loss statement is known. Furthermore the company secures the tax return.

Other duties that company must deal with are the legal responsibilities such as hygienic standards or Health and safety at work known as BOZP. These rules extend ordinary activities of the employees. However, the fulfilment of the rules is obligatory as they result from the law. A new system in hygienic area should be mentioned. This newly established system is called HACCP or the system of critical points. The subject matter of the system is the development of such self-control and adherence to regulations of hygienic formulas in the form of creating a list of daily tasks that are compulsory so that must be certainly done and inscribed with an appropriate registry. If some of these tasks are performed successfully for a certain period of time they will be omitted from the permanent control. However they will be checked randomly. If this task is not satisfactory while inspecting, it will be returned back to daily tasks' list. (Trs 2011)

### ***2.1.2.3 Staff Management***

It was already mentioned that the personnel is not in the competences of the head of operating unit. Since it is especially important to be surrounded by qualified, loyal and hard-working people, the selection of the employees is performed by the owners themselves. The process of choosing the right person consists of several parts.

The first stage is called an enrolment. Potential employees are addressed by numerous methods. They can find the advertisements in the newspaper, on the websites of the company or the job offer can be broadcast in the radio. GastroTrs, Ltd. cooperates with the Radio Jih which resides in Hodonin as well.

If the applicant responds to the job offer, he or she will be invited to the company where the personal interview takes place. The owner is curious about the applicant's achieved education, experiences and it is also essential to know how much the applicant is interested in working for this company. The latter is extremely important in these days as a lot of people do not have a job because of the crisis. Some people applied for this position simply to have a certain job although they have never worked in the restaurant and they do not like this kind of work. The owner should detect this sort of behaviour while interviewing.

After finishing the interview stage the owner should decide which applicants are suitable for the given position. He can select a couple of possible candidates who can show their skills and abilities during the usual working day. The applicants work in the restaurants for a week and then the owner selects those who were the best. The contract of employment is signed with the new employees. The others who were not successful are enrolled to a register of possible employees. Every time there is a new free position the company communicates with these potential applicants whether they are still interested or not.

The last step is the process of the social and labour integration which includes the familiarisation with the working group, the place of work and the own duties.

For the whole personnel the workload that is the integral part of the contract of the employment and the important element of the conditions of employment is precisely elaborated. These conditions of employment define the competences of each position in the company. On the other hand, the workload is the binding document which determines accurately the activities of each function. It helps to understand what each employee should do, what is his duty. The workload is also the aid for managers to know what to check considering the work of their subordinates. (Trs 2011)

## 2.2 The Company's Marketing Communications

GastroTrs, Ltd. belongs to the category of regional companies. It means that the budget assigned for marketing is not comparable with large companies such as Baťa, Aukro or Barum that are known in the whole area of the Czech Republic. Nevertheless the company tries to make the best. The structure and form of marketing communications differs; it is logical that the marketing of a service-oriented company is not the same as the promotions of a product-oriented company are.

### 2.2.1 Long-term Promotions

GastroTrs is focused mainly on occasional marketing campaigns. However, it has the elements of the permanent marketing communications tools as well. The company's constantly updated websites are the proper example. It is the place where all important information occurs. The websites have been changed with the merger as well. Original websites were [www.gastrotrs.cz](http://www.gastrotrs.cz), now it is [www.gastrounited.cz](http://www.gastrounited.cz). Customer can choose the restaurant on the main site. It redirects him to the websites of the particular restaurant. Here can be found the basic information about the restaurant, the daily menu or the photo gallery. Customers can also book a reservation here. (Gastrounited n.d.)

The privilege of the older version was the e-shop. The complete offer of the food provided was entered there with the photos enclosed. Customer simply clicked on it, filled in the information about his name, address and telephone number. The food was delivered in an hour. Consumers also rated the food so the others could see the experience with each meal. (Trs 2011)

Moreover, the company GastroTrs, Ltd. appreciates the loyal customers. Company introduced the club card. The owner inserts money in this card account and if he pays with the card later he will be given the discount. The discount covers the whole assortment. Customers are also given the points after the purchase. They can either use these points to get a special subject presented by the company or transfer them back to the cash form. (Trs 2011)

### 2.2.2 Occasional Promotions

As the company does not use the television as the communication tool, it promotes the services in the radio at least. The company chose the Radio Jih since it belongs to the regional category as well. Radio Jih is popular especially in Hodonin because it has its seat there. Radio Jih promotes the company in the form of short spots twice or three times a year. The company also wants to give thanks to consumers therefore Radio Jih broadcasts the salute every year at the Christmas time. This is another proof that GastroTrs, Ltd. appreciates the loyal customers. (Trs 2011)

The company has never taken advantage of using online advertising. The reasons for that are various. One of them has been already mentioned. The company is of a regional character and the owners were thinking about using regional websites. However, they rejected this idea because of another reason. Many banners, pop-up windows and online commercials can be seen on the internet. The users have already learned how to ignore these kinds of advertisements. There is only a small percentage of the population that are looking for the online advertising. (Trs 2011)

GastroTrs also does not usually turn printed forms of advertising to account. The company's opinion is that the leaflets are helpful mainly for the companies that offer goods. Our company uses the leaflets only in occasional cases, for example when launching a new product. The same situation comes with billboards. (Trs 2011)

### 2.2.3 Marketing Communications Plan of a Particular Advertising Campaign

Mr. Trs decided to reveal some information about the campaign which promoted a new product called Maxi pizza. It is also called the biggest pizza in the Southern Moravia as it has 60 cm in diameter.

At first the company had to make the context analysis. They stipulated young people at the age 15-25 and the young families to be the target audience. This step is reasonable as the pensioners usually do not like this kind of food and children under 15 attend restaurants with their parents. The latter is involved in the category of young families. They also stated the objectives of this campaign. The company wanted to create a new product that does not occur in Hodonin and its surroundings. Another aim was to support sales of the existing kinds of pizza.

Another point was to determine the amount of money that can be used and the media that can help with the promotions. They decided to relieve CZK 250,000. According to previous experience, Radio Jih became the distributor of the broadcast commercials. The company even used the billboards and one special remarkable item. The whole preparation lasted seven months.

The company signed a barter contract with Radio Jih. It means that GastroTrs was a supplier of the refreshment for the radio's events and it also made the promotions for the radio in the form of stickers and leaflets in the restaurants. On the contrary, Radio Jih broadcasted the commercial spots for three months. Then the payments took place. The billboard was placed near the shopping centre Cukrovar in Hodonin.

However, the result would not be as satisfactory as it was even with all these promotional supporters. It was the car standing near the crossroads in the centre of Hodonin which made the campaign successful. Ford Fiesta was labelled with the logo of the company GastroTrs. The information about the new pizza was also there. It was a really nice choice, because the car was placed at the end of pedestrian precinct near the road where cars have to stop because of the traffic lights. Hundreds of people went by every day and almost each of them slowed down in order to discover why the car was there.

A car is the main character also in another promotional action. The logo of the 'Maxi Pizza 60 cm Plecharna' was created and stuck on four cars of the company's owners and managers.

The last stage of the promotional plan is to receive the feedback and to analyze the results. The aim of this step is to find out whether the objectives of the campaign were reached. There were two main aims; to launch a new item and to increase sales. The new product met the expectations as it was accepted immediately by the customers. The production has risen by 30% and this increase has never fallen down since then.

To sum it up, the money was invested in a right project. The return on investment is estimated to three years. This promotional campaign reached satisfactory results eventhough the economy was in a deep recession. Therefore we can conclude that the campaign was really successful. (Trs 2011)



### 2.3 SWOT Analysis

If the company wants to have an outline of its internal and external environment, it is essential to create the SWOT analysis. It stands for the strengths, weaknesses, opportunities and threats. The analysis of strengths and weaknesses is focused on the internal environment of the company. On the other hand, the analysis of opportunities and threats describes the external situation. The main difference between these two analyses is that the company can influence only the internal factors. (Perreault 2007)

The purpose of SWOT analysis is both to take advantage of the strengths/opportunities and to minimise the effect of the weaknesses/threats.

The SWOT analysis of the company GastroTrs, Ltd. is elaborated in the table 4 below.

*Table 4. SWOT Analysis of the Company GastroTrs, Ltd.*

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- great choice of location</li> <li>- unique equipment</li> <li>- experiences</li> <li>- target audience</li> <li>- customer loyalty</li> <li>- regional suppliers</li> <li>- natural ingrediencies</li> <li>- quality of food</li> <li>- wide range of cuisine</li> <li>- operating structure</li> <li>- personnel</li> <li>- e-shop</li> <li>- well-known regional brand</li> <li>- differentiation from competitors</li> </ul>	<ul style="list-style-type: none"> <li>- insufficient marketing communications</li> <li>- absence of marketing consultant</li> <li>- marriage of the owners</li> <li>- unused Facebook profile</li> <li>- absence of sponsoring</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- change in government policy</li> <li>- new cultural events in the town</li> <li>- preference of high-quality food</li> <li>- increasing number of population</li> <li>- relationships with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>- competitors</li> <li>- financial crisis</li> <li>- tax reform</li> <li>- change in government policy</li> <li>- change of lifestyle</li> <li>- relationships with suppliers</li> </ul>

## **2.4 Evaluation of SWOT Analysis and Recommendations**

### **2.4.1 Strengths**

GastroTrs, Ltd. has many strengths as can be seen in the table 4. It is rational, because the company serves the high-quality food made from the ingredients that are supplied by the local farmers. If there is a necessity to import some ingredients, the company is focused on the fresh food and herbs. The company has also a wide range of the target audience which is associated with the wide variety of cuisine.

The owners have had the previous experiences with running the business. These experiences are demonstrated both in the great choice of location and the equipment of all the restaurants, which differentiates them from the competitors. The company has the recruitment system, which ensures the experienced and welcoming personnel. The other advantage is the e-shop, where customers can choose from all the meals that are available in the restaurants and place an order as well.

All these points together result in the loyalty of the customers and help the company become and maintain the well-known and popular regional brand.

### **2.4.2 Weaknesses**

The main weakness of the company GastroTrs is the absence of any marketing department or marketing consultant. Other disadvantage is the fact, that the owners are husband and wife. It can be seen as the advantage at first sight. But the disputes between them can cause the liquidation of the company.

The company has its own Facebook profile. However it is not used for business purposes.

### **2.4.3 Opportunities**

As it was said in the beginning of this chapter, the opportunities are the factors that company cannot affect. These factors may occur in the future and the company could take advantage of their positive effects. New governmental policy may arise, such as the lowering the taxes, creation of some advantages for the food industry, etc. The increasing

number of population is positive as well, as people have to eat something and they usually fancy going to the restaurants.

In these days many fast-food restaurants exist. Fast-food was highly popular in the past few years, as it is the fast opportunity to have a breakfast, lunch, snack or a dinner. Fortunately many consumers changed their eating habits and moved to the healthier food. GastroTrs tries to meet their wishes and hopes that there will be more people who care about their health. However, the company cannot affect this progress.

The other opportunity is the taking place of more cultural events in Hodonín. The reason for this opportunity is this direct proportion; the more events happens, the more people looks for quality and tasty food.

The last option can be both the opportunity and threat as the relationships with the suppliers can improve or worsen. Some people may argue that the company can have an influence on the relationships with the suppliers. Nevertheless it cannot affect the suppliers' manners. They may go bankrupt, or change their privileges. On the other hand, they may prosper and therefore lower the prices.

#### **2.4.4 Threats**

The threats can be political on the one hand. The taxes may increase, the government policy may handicap the conditions for running a business or the financial crisis may worsen again. On the other hand, there are factors more closely connected to the company. It is related to the competition, lifestyle and already mentioned relationships with the suppliers. New competitors may occur. The lifestyle of the population may worsen as well as the relationships with the suppliers.

#### **2.4.5 Recommendations and Warnings**

After analysing the company's strengths, weaknesses, opportunities and threats, I attempt to recommend some solutions.

##### ***2.4.5.1 Utilisation of the Strengths and Opportunities***

At first, the company have to take advantage of strengths and opportunities. As it was already mentioned, GastroTrs prepares meal from fresh and local ingredients. This is unique

and the consumers have the right to know this fact. It would be useful to create such leaflets with the information about the origin of the products and their nutritional values. It can be similar to that papers that are given to the customers in the fast food restaurants. The main difference will be in more positive information about the nutrition value of GastroTrs food. Of course, it depends on the kind of restaurant. It is obvious, that Plechárna does not have many healthy meals as it is pizzeria. To sum it up, it is important let the people know, what they are eating; high-quality food with the local origins.

GastroTrs should also promote their e-shop. I would recommend them the use of banners. This option is quite expensive, but it could pay off. The potential customer is searching the internet in order to find some restaurant with the food delivery because he is hungry. Suddenly the banner appears. He clicks on this banner and finds out the food e-shop with the photos of each meal. He would hardly continue searching the other restaurants. Other restaurants generally do not have pictures of their meals, thus it is usually a surprise how does the food look like.

If there is any cultural, sport or social event in Hodonín and its close surroundings, GastroTrs can promote their restaurants in the form of leaflets or posters with special offers that are related to the character of each event.

#### ***2.4.5.2 Minimising the Effects of Weaknesses and Threats***

According to the topic of this thesis, the main weakness of the company GastroTrs is the absence of marketing department or the marketing specialist at least. The owners of the company exploit the external marketing consultant only rarely. In other cases they tried to invent any marketing event themselves. This is insufficient according to their achieved education. It is thoroughly important to have a marketing specialist for each company in order to gain public awareness. It would be really beneficial for GastroTrs to hire either a person with marketing education or incredibly creative person with the talent for creating advertising campaigns.

The other significant handicap is the fact that the owners are husband and wife. At first, it seems like the advantage. They have the same point of view and they can talk about their company every time and everywhere. However, some conflict appears later. And the result can be the divorce of the owners which can lead to the end of the company GastroTrs, Ltd.

Facebook is a big issue in these days. I think, it can be useful marketing tool if utilized accurately. Although the company have its own Facebook profile, it does not operate with

this profile correctly. If anyone looks at their profile, they find there only the name of the company and its restaurants and that is all. The company should insert news, photos or special offers there. I am sure, that the number of their Facebook followers would increase soon due to this activity which does not take much time.

The use of the discount portals, such as [slevici.cz](http://slevici.cz), [prasatko.cz](http://prasatko.cz) or [vykupto.cz](http://vykupto.cz), is connected with this issue. It is useful marketing tool, which can help with the promotion of the restaurants as it offers such sales for the consumers so that they can taste the company's food for a lower price.

It is valuable to promote the own company on the internet as it is the fastest developing medium. It has grown by 14.2% in recent years. (Marketingové Noviny 2011)

Sponsoring is important activity as well. It is one of the marketing communications tools which the company neglects. Sponsoring of an event with the positive reputation can lead to the growth of the public awareness of the GastroTrs. It can be helpful for the company, because the public would know GastroTrs from the other sources than the leaflets, websites and radio commerce. Furthermore, the audience could integrate the business name GastroTrs with a beneficial-cause event.

One of the threats becomes the reality soon. Companies should have to be prepared for the tax reform. This reform covers the vast areas of life. According to the last pieces of news, it will start in 2012 when the reduced tax rate will increase from 10% to 14%. In 2013 it will further increase up to 17.5% and the standard tax rate will drop from 20% to 17.5%, so that the tax rate will be uniform. (Hovorka 2011) The changes will affect the income tax as well. All of this will result in the higher prices of food which will lead to the increase of the meals.

The last pieces of news also say that the financial crisis has not come to the end yet. The second depression arose. It means that people begin to save their money again. Company will have to think about some special efforts. I would recommend special offerings such as giving the sales on the third or fifth eaten meal in their restaurants.

Competition is a fierce threat. It can appear unexpectedly. Company can anticipate this threat by offering the high-quality services all the time. If the consumer is satisfied, he will hardly move to the competitive company.

These recommendations were elaborated for the purposes of the company GastroTrs, Ltd. However they can be applied also by the management of Gastrounited since these two companies have the same problems, as it was mentioned sooner.

## CONCLUSION

The purpose of this bachelor thesis was to describe the situation in the company GastroTrs, Ltd., to analyse its strengths, weaknesses, opportunities and threats and to recommend own solutions how to improve the marketing situation. All of these requirements were accomplished in the analysis part.

Theoretical part contains information obtained from literary sources. I used mainly printed sources, but there are internet sources as well. These pieces of information are related to marketing communications and marketing communications mix. The process of developing the advertising campaign is explained in the end of this part. It was really interesting experience to work with several sources and to compare thoughts of various authors.

Practical part has several sections. At the beginning the company is described concerning its origins and present times. Its management and personnel is mentioned as well. Next section is focused on the company's marketing communications. It contains the description of the situation in the company and the result, that marketing communications of the company GastroTrs, Ltd. is rather weak. This company uses mainly short-term promotions and has the lack of long-term promotions. However GastroTrs invented successful advertising campaign. This campaign used as a promotional tool when launching a product, which was maxi pizza. This campaign had exceptionally positive results and can be evaluated as a gainful affair.

The main section of this bachelor thesis is the elaboration and description of the SWOT analysis due to knowledge of the company. Each reader can note that GastroTrs has more strengths and opportunities than weaknesses and threats which is a positive finding. Only the company can influence the further development. GastroTrs must decide if it wants to improve marketing communications or not. There are recommendations in the end of this thesis which were created according to the results of the SWOT analysis.

This thesis was elaborated in order to become practical instrument for the management of the company GastroTrs, Ltd. The results of the analysis are prepared to be applied by its management as they were developed to strengthen the effectiveness of the company's marketing communications.

## BIBLIOGRAPHY

### Books:

Armstrong, Gary, and Philip Kotler. 2010. *Marketing: An Introduction*. 10 ed. Boston: Prentice Hall.

Clow, Kenneth E., and Donald Baack. 2008. *Reklama, Propagace a Marketingová Komunikace*. Brno: Computer Press.

Fill, Chris. 2005. *Marketing Communications: engagement, strategies and practice*. 4 ed. New York: Prentice Hall.

Fill, Chris. 2010. *Marketing Communications: Interactivity, Communities and Content*. 5 ed. N.p.: Prentice Hall.

Pelsmacker, Patrick De. 2010. *Marketing Communications: A European Perspective*. 4 ed. N.p.: Financial Times Management.

Perreault, William D., Jr. 2007. *Basic Marketing W/Applications in Basic Marketing: Global-Managerial Approach (No. 1)*. 15th ed. N.p.: McGraw-Hill Companies.

Pickton, David, and Amanda Broderick. *Integrated Marketing Communications*. 2nd ed. Upper Saddle River, N.J.: Financial Times Management, 2005.

Příkrylová, Jana, and Hana Jahodová 2010. *Moderní Marketingová Komunikace*. Praha: Grada Publishing.

**Interview:**

Trs, Ladislav, owner of the company GastroTrs,Ltd. . 2011. Interview by author, March 20, Hodonín

**Articles published online:**

Hovorka, Jiří. 2011. Pokud daně budou reformovány, polepšíte si i přes růst DPH. *mesec.cz*. <http://www.mesec.cz/clanky/pokud-dane-budou-reformovany-polepsite-si-i-pres-rust-dph/>(accessed July 20, 2011).

Hudský, Aleš. Jak si udržet zákazníky i v době krize. *strategie.cz*. <http://strategie.e15.cz/prilohy/marketing-magazin/jak-si-udrzet-zakazniky-i-v-dobe-krize/>(accessed June 30, 2011).

Marketingové Noviny. 2011. Globální výdaje na reklamu letos mírně vzrostou a internet bude nadále nejrychleji rostoucím médiem. *Marketingové Noviny*. [http://www.marketingovenoviny.cz/index.php3?Action=View&ARTICLE\\_ID=10147&globalni-vydaje-na-reklamu-letos-mirne-vzrostou-a-internet-budenadale-nejrychleji-rostoucim-mediem](http://www.marketingovenoviny.cz/index.php3?Action=View&ARTICLE_ID=10147&globalni-vydaje-na-reklamu-letos-mirne-vzrostou-a-internet-budenadale-nejrychleji-rostoucim-mediem) (accessed August 10, 2011).

Toman, Miloš. 2007. Nové Cesty Sponzoringu. *Marketingové Noviny*. [http://www.marketingovenoviny.cz/index.php3?Action=View&ARTICLE\\_ID=5727&nove-cesty-sponzoringu](http://www.marketingovenoviny.cz/index.php3?Action=View&ARTICLE_ID=5727&nove-cesty-sponzoringu) (accessed July 5, 2011).



**Websites:**

Gatrounited. Bar Štola. [gatrrounited.cz. http://gatrrounited.cz/stola/](http://gatrrounited.cz/stola/) (accessed June 25, 2011).

Gatrounited. Pizza Bar Plechářna.  
[gatrrounited.cz. http://gatrrounited.cz/plecharna/](http://gatrrounited.cz/plecharna/) (accessed June 25, 2011).

Gatrounited. Restaurant Taverna. [gatrrounited.cz. http://gatrrounited.cz/taverna/](http://gatrrounited.cz/taverna/) (accessed June 25, 2011).

Gatrounited. Restaurant u Piráta. [gatrrounited.cz. http://gatrrounited.cz/upirata/](http://gatrrounited.cz/upirata/) (accessed June 25, 2011).

Marketing Power.

Dictionary. [http://www.marketingpower.com/\\_layouts/Dictionary.aspx?dLetter=S](http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=S) (accessed July 5, 2011).

Marketing Power.

Dictionary. [http://www.marketingpower.com/\\_layouts/Dictionary.aspx?dLetter=A](http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=A)  
(accessed July 5, 2011).

Úplný výpis.

[justice.cz. http://www.justice.cz/xqw/xervlet/insl/report?sysinf.vypis.CEK=700012305&sysinf.vypis.rozsah=uplny&sysinf.@typ=transformace&sysinf.@strana=report&sysinf.vypis.typ](http://www.justice.cz/xqw/xervlet/insl/report?sysinf.vypis.CEK=700012305&sysinf.vypis.rozsah=uplny&sysinf.@typ=transformace&sysinf.@strana=report&sysinf.vypis.typ)

=XHTML&sysinf.vypis.klic=3463282714e312ce6ae088207b0a6ba7&sysinf.spis.@oddil=C  
&sysinf.spis.@vlozka=51347&sysinf.spis.@soud=Krajsk%FDm%20soudem%20v%20Brn  
%EC&sysinf.platnost=16.08.2011 (accessed August 18, 2011).

**Other sources:**

Bejtkovský, Jiří 2009/2010. Marketing přednáška: Komunikační politika. UTB.

## **LIST OF TABLES**

- Table 1. Advantages of Direct Marketing
- Table 2. Sales Promotions Tools
- Table 3. Information about the Company
- Table 4. SWOT Analysis of the Company GastroTrs, Ltd.

## **LIST OF FIGURES**

- Figure 1. A Macro-framework of Marketing Communications
- Figure 2. The Process of Communication
- Figure 3. The Buying Formula