

The importance of PR in integrated marketing communications and its impact on the effectiveness of other marketing communication tools

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Téma práce: **Význam PR v integraci marketingových komunikací a jeho vliv na efektivitu dalších nástrojů MK**

Zásady pro vypracování:

1. Proveďte rešerši literatury pojednávající o významu public relations a jejich vlivu na efektivitu dalších nástrojů marketingových komunikací. Definujte základní pojmy oblasti public relations se zaměřením na integraci marketingových komunikací.
2. Formulujte cíl diplomové práce a stanovte pracovní hypotézy.
3. Zpracujte analýzu přístupu k interní a externí komunikaci zvolené společnosti. Zhodnoťte míru integrace a koordinace marketingové komunikace této společnosti.
4. Na základě výsledků analýzy vyvodte pracovní závěry a zhodnoťte validitu hypotéz.
5. S pomocí získaných poznatků a závěrů navrhnete projekt koordinace veškerých komunikačních aktivit zvolené společnosti, především koordinaci její externí a interní komunikace.

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CORNELISSEN J.: Corporate communication: a guide to theory and practice. 3rd ed. SAGE, Los Angeles, USA 2011. 272 pgs. ISBN 978-0-85702-243-1.

FTOREK J.: Public Relations jako ovlivňování mínění. Druhé rozšířené vydání. Grada Publishing, Praha 2009. Počet stran 195. ISBN 978-80-247-2678-6.

QUIRKE B.: Making the Connections: Using Internal Communication to Turn Strategy into Action. 2nd revised ed. Gower Publishing Ltd, USA 2008. 384 pgs. ISBN 978-0-56608-780-6.

SCOTT D.M.: The New Rules of Marketing and PR. 2nd ed. Wiley, New Jersey, USA 2010. 288 pgs. ISBN 978-0-470-54781-6.

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ABSTRAKT

Práce se věnuje významu public relations pro oblast marketingových komunikací, zejména pak možnostem integrace marketingových komunikací s důrazem na zvýšení efektivity jednotlivých nástrojů komunikace.

Výzkumná a projektová část práce se zaměřují na konkrétní příklad z prostředí mezinárodní společnosti.

Klíčová slova: komunikace, marketing, marketingová komunikace, public relations, sociální média, interní komunikace, integrovaná marketingová komunikace, korporátní komunikace

ABSTRACT

The thesis focuses on the importance of public relations in the field of marketing communications. Special attention is paid to the phenomenon of integrated marketing communications, with an emphasis on increasing the effectiveness of communication tools.

Analysis and project explore a case study of a company conducting its business in an international environment.

Keywords: communication, marketing, marketing communications, public relations, social media, internal communication, integrated marketing communication, corporate communication

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I hereby declare that the print version of my Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

Science is organized knowledge. Wisdom is organized life.

Immanuel Kant (1724 – 1804)

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INTRODUCTION

The first matter which each and every student is facing is to choose a good subject for his or her thesis. The title of my thesis is “*The importance of PR in integrated marketing communications and its impact on the effectiveness of other marketing communication tools.*” The process of a selection was in my case quite simple. I have the good fortune to work in the area of communications for a global fast-growing company. This leaves me with the opportunity to develop an academic work tightly connected to a real-life business. From my perspective this is a unique opportunity to interconnect both worlds – the academic theory and the real challenges businesses are facing every day.

The thesis is divided into three main parts: the theory, the analysis and the project. The first chapter of the theory sets the ground rules regarding the working method as well as the objective of the entire thesis. In the second chapter I would like to define the most significant theoretical groundwork which shall serve as a basis for the two following parts of the thesis. The next chapter explores the research method. Finally, the last chapter of the theory formulates the working hypothesis.

The analysis comprises two chapters: the characteristics of the monitored company and the research results. The name of the company will not be revealed throughout the work to ensure that any potentially sensitive or confidential data is not disclosed.

The project is built from the research results and it is a core part of the entire thesis. Its goal is to design a feasible draft of Corporate Communications – a key area of focus for any global company.

I believe that my thesis will be a contributive piece of work which will help describe a typical business case and its possible solution.

The author

I. THEORY

1 THESIS OBJECTIVES AND THE WORKING METHOD

An important step to take at the beginning of the thesis development is to define its objective and the working method leading to the successful accomplishment of this objective.

1.1 Thesis Objectives

The goal of this thesis is to create a feasible plan of Corporate Communications with respect to specific conditions of a selected organization.

The ultimate target is to design a high-quality plan which may later be implemented in the company.

1.2 Working Method

The goal of the thesis will be carried out mainly in the third part – the project. The two preceding parts – theory and analysis – shall support the project in a form of solid pillars. However, they are not intended to become thesis objectives.

All three parts are mutually connected. The research proceeds from a general perspective to specific conception, from theory to applications. The process of exploration and argumentation is mainly deductive, i.e. from premises to conclusion.

The theoretical and methodological part deals with the basic concepts of communication, public relations and integrated marketing communications, with special emphasis on corporate environment. The theoretical groundwork derived from the literature search is later used to define the working hypothesis.

The analysis and the project build together a business case study. The selected organization is described at the beginning of the analysis. The essential part of the analysis comprises a qualitative research and its results. The qualitative research methodology will be discussed later.

The project is built from the results of the research with the aim of developing the Corporate Communications plan.

Finally, the conclusion evaluates and summarizes the results of the work.

2 THE ROLE OF PR WITHIN MARKETING COMMUNICATIONS

This chapter will discuss the fundamental theoretical groundwork related to communication, public relations and integrated marketing communications. It is necessary to define the basic terminology and theoretical models with the aim to help understand the discourse in the following chapters.

2.1 Communications industry

The area of communications has grown rapidly in recent decades. There are many terms used for labelling certain activities which all have one similar goal: to let one person or more persons know what the other person is doing, and to help sell and/or spread the results of his or her working activity. In other words these are activities of marketing, advertising, promotion, communication, selling, engaging, etc.

At the same time, there have been various discussions going on at various levels, about what shall be the systemization of such activities. This is an important topic for both academics and professionals as this hugely impacts our comprehension of each individual activity and its place within the industry as a whole.

Among the most notoriously known and generally accepted models are for instance 4P (marketing mix of product, price, place and promotion), 7P (the same mix extended to people, processes and physical evidence), 4C (Convenience, Communication, Customer Value, Customer Cost) [13] and Communication Mix (Advertising, Public Relations, Direct Marketing, Personal Selling and Sales Promotion).

Other models, for instance models of the communication process, deal with the question of what is the communication, how does it function and what are the limitations and barriers of communication.

However, with the birth of many new approaches and activities like electronic marketing, Internet marketing, mobile marketing, viral marketing, sponsoring, product placement, social media marketing, etc. it is now very difficult to distinguish among these activities, to find its appropriate place within the promotional mix, and to define its role and purpose.

Nevertheless, for the objectives of this thesis it is not necessary to explore all of these models. Instead, the primary focus shall be placed on the key models impacting directly on the arena of public relations, which are discussed in the following chapter.

2.2 Communication Process Models

Over the years, there has been a significant development of our understanding towards communication. At first sight, one may be truly surprised that such natural activities like speaking, listening, using non-verbal signs, etc. indeed create an extremely complex area of many scientific studies, often with interdisciplinary implications.

The first widely accepted model of communication was developed in mid-50s, at the time when researchers and academics became more interested in applied psychology and other related disciplines. A linear model of communication consists of eight components: a source, encoding, a message, decoding, and a receiver; and then media, noise and feedback (see figure 1).

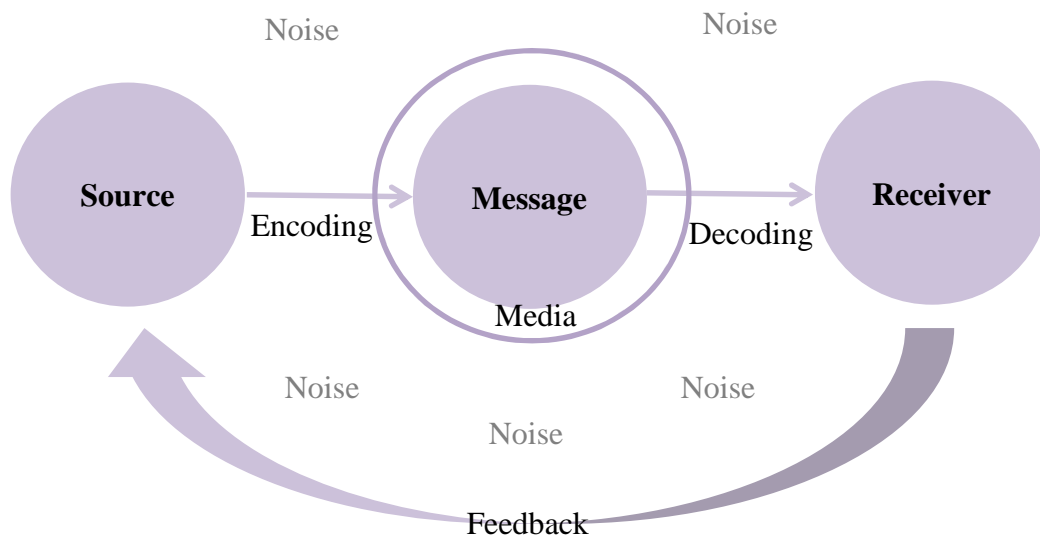


Figure 1: A linear model of communication. Source: FILL, Chris. *Marketing communications: interactivity, communities and content*.

The source is an individual or organization sending the message. Encoding is a transfer of the intended message into symbols and signals that can be further transmitted. The message is transmitted with the use of particular media. Decoding means to understand the symbols and signals of the message in order to understand the full message.

The receiver is an individual or organization receiving the message. Feedback is receiver’s communication back to the source on receipt of the message. And finally, noise is the distortion of the communication process, making it difficult for the receiver to interpret the message as intended by the source. [4, pg. 41-42]

The traditional one-step model of communication has been criticised for its oversimplification, as it certainly ignores the effect of personal influences on the communication process. [4, pg. 49] Therefore, the two-step model of communication flow, and later multi-step model of communication flow have been introduced (see figures 2 and 3).

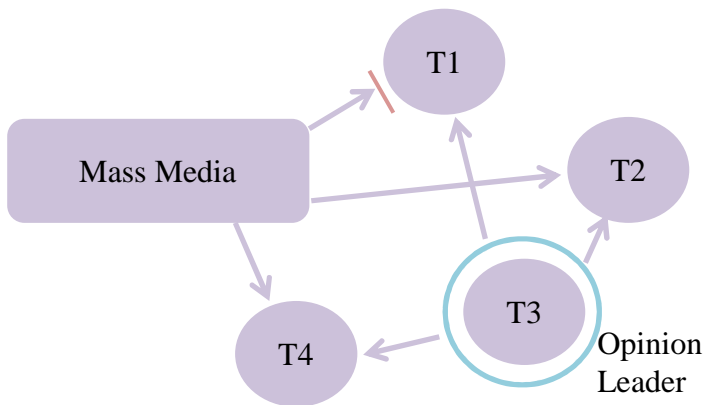


Figure 2: Two-step model of communication, where T = a member of the target audience.

Source: FILL, Chris. *Marketing communications: interactivity, communities and content*.

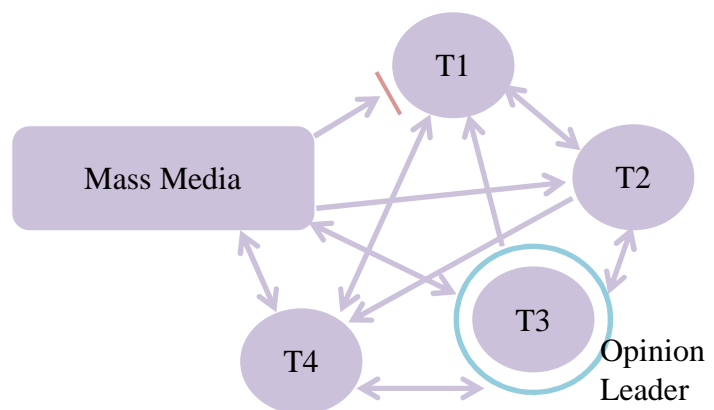


Figure 3: Multi-step model of communication, where T = a member of the target audience.

Source: FILL, Chris. *Marketing communications: interactivity, communities and content*.

The two-step model far better depicts information flowing between various communications channels (mass media, member of the target audience, and opinion leaders). The implication of the two-step model is that the mass media does not have a direct and all-powerful effect over their audience (for instance it can be seen in figure 2 that T1 was not exposed to the original message, so the opinion leader acts as an original information source). [4, pg. 50]

Multi-step model shows that the communication process involves interaction among all parties. This model most closely resembles the real way of communication in the present network of various relationships among people and organizations.

2.3 Public Relations

The arena of public relations represents one of the main broad areas of communication activities. The Institute of Public Relations (IPR) defines that *public relations practice is planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics*. [11, pg. 549]

The Chartered Institute of Public Relations (CIPR) extended its definition to: *public relations practice is the discipline concerned with the reputation of organizations (or products, services or individuals) with the aim of earning understanding and support*. [16, pg. 6]

Most practitioners and academics emphasise that public relations is a management function, developing and executing strategic issues involving two-way relationships and communication. Recently, the image of public relations tends to be reinforced as corporate communications. [16, pg. 6]

Public relations activities involve interaction and engagement with various groups of people, called target audiences or publics. These are for instance shareholders, investors, governments, non-governmental organizations, media, the general public, employees, customers, local communities and interest groups.

Among the most common activities of PR professionals are: relations with the press and media (preparation of press releases and press kits, arranging press conferences and press trips), publicity, monitoring public opinion and developing goodwill among all publics, dealing with negative publicity and crisis communication, sponsorship and donations, organizing various events, developing and maintaining the corporate image,

relations with employees, local communities and various interest groups, and even lobbying. [11, pg. 547]

2.4 The position of Public Relations

The discussion over the topic, where public relations fit into the range of business activities in general, and its relationship to marketing in particular, lasts from the very beginnings when the first pioneers started to influence the media and public. Since then, the approach towards the importance of PR has changed several times.

First of all, there are several ways to interpret the relationship between PR and marketing as suggested in figure 4 below:

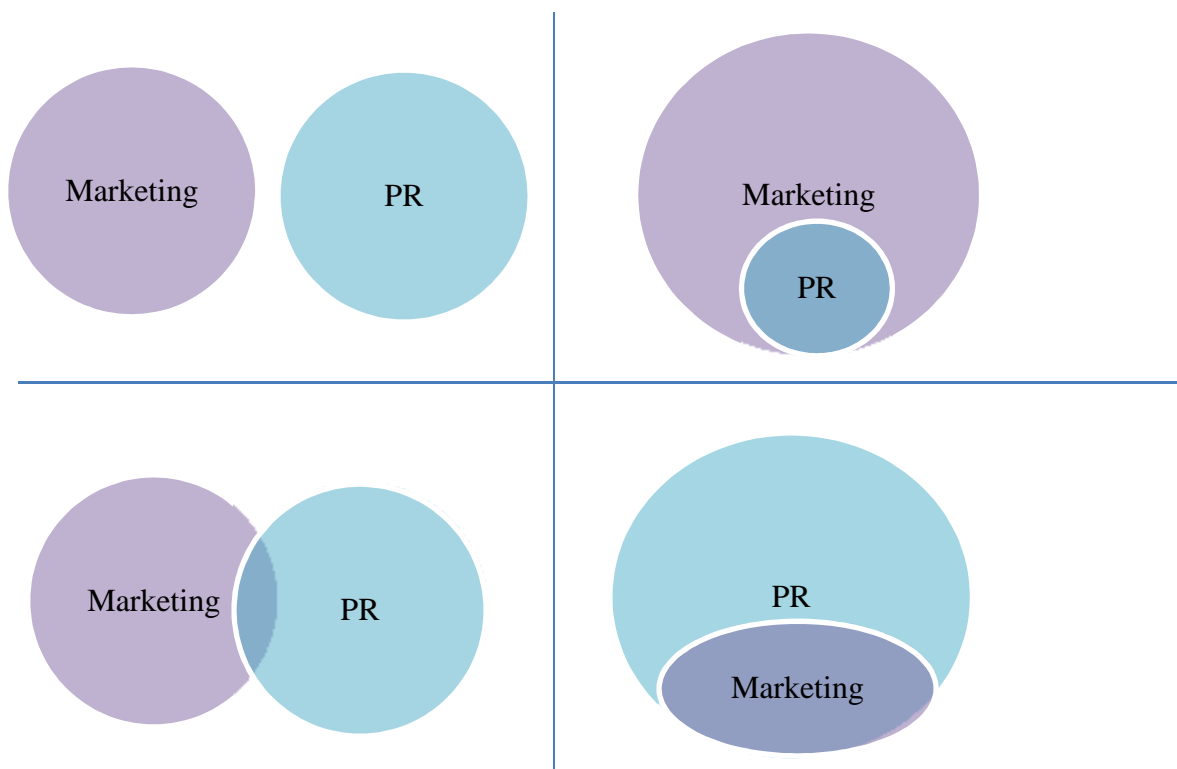


Figure 4: The relation between marketing and PR. Source: own creation

Some suggest that PR is a part of marketing (see the top right corner in the figure), others that marketing is a part of PR (see the bottom right corner in the figure), although this is quite a rare opinion. Joep Cornelissen in his book *Corporate Communication: A Guide to Theory and Practice* explains that until the 1980s (particularly in Western world), marketing and public relations were considered rather distinct in their objectives and

activities [2, pg. 16] and therefore seen as solely independent disciplines (top left corner in the figure). The reality in most businesses is that marketing and PR are generally separate functions, but overlap in certain activities (including shared tools and techniques) and should for that reason work closely together (bottom left corner in the figure).

Traditionally, this question of a position comes from a contrast between public relations and marketing. Marketing is often seen as profit-focused, while PR has longer-term implications. The central point of this traditional view is that marketing deals with markets (represented by customers and consumers), while public relations deals with all the publics of an organization, i.e. even with those who do not purchase (for example investors, media) as well as those who may purchase in the future (prospects). In addition, marketing creates product or service-related communication, while public relations create the corporate story, goodwill and broader communication in general. [2, pg. 16]

Another frequently mentioned difference concerns financial imperatives, where PR is seen as financially far less demanding than marketing. Recent practice shows that this belief cannot be true anymore. David Pickton and Amanda Broderick quote in their book *Integrated Marketing Communications* Chris Alder, who became Director of Corporate Communications in SAP in 1997: “*Free publicity is a fallacy, PR is not cheap. It involves costs and management time on top of agency fees.*” [11, pg. 548]

On the other hand, there are also a number of ways in which marketing and public relations activities can complement one another. For example, there is evidence that a company’s image, created through public relations programs, can positively reflect upon the product brand of a company, thereby increasing the awareness of the product brand as well as adding another favourable attribute that enhances the consumers’ impression of the brand. [2, pg. 20] From this understanding also comes the vision of integrated marketing and public relations communications, and later corporate communications discussed in the chapters below.

2.5 Integrated Marketing Communications

Communications instruments have been traditionally used independently of each other and operated with varying degrees of autonomy. [10, pg. 8] In the last two decades, the holistic approach gains the attention of many academics and professionals. Integration allows for synergetic effects and increased effectiveness of communication efforts.

Integrated marketing communications have been defined in a number of ways, stressing various aspects and benefits. The American Association of Advertising Agencies uses the following definition of Integrated Marketing Communications (IMC): *a concept of marketing communication planning that recognise the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, e.g. general advertising, direct response, sales promotion and public relations – and combines these disciplines to provide clarity, consistency and maximum communication impact.* [10, pg. 8]

IMC may be interpreted from two main perspectives – a content and a process. From a content perspective, a consistent set of messages is conveyed to all target audiences by means of all available forms of contact and message channels. The message consistency is the major goal. From a process perspective, the emphasis is on a structural realignment of the communication disciplines within organizations, even to the point of collapsing all communications into a single department. Cross-functional systems and processes are regarded as necessary to enable integrated marketing communications. [4, pg. 265]

Several factors have fuelled the trend towards integration. First, it is the new way of looking at marketing communications – from the consumer’s point of view. Organizations strive to persuade the consumer with consistent messages which would minimize the risk of confusion and allow for better comprehension of the communication. [10, pg. 8 - 9] Second, it is a downsizing and reengineering of organizations which are forced to work with tighter budgets while delivering greater performance at the same time. [17, pg. 20] Third, it is the reorientation to relationship marketing to be able to better response to increasing market and customer demands. [4, pg. 267]

2.6 Corporate Communications

Corporate Communications can be defined as *the total integrated approach to the communications activity generated by all functional departments of a company, aimed at establishing and maintaining the link between strategic objectives, the corporate identity and the corporate image in line.* [10, pg. 12]

Corporate Communications include several key elements as portrayed in figure 5 (next page).

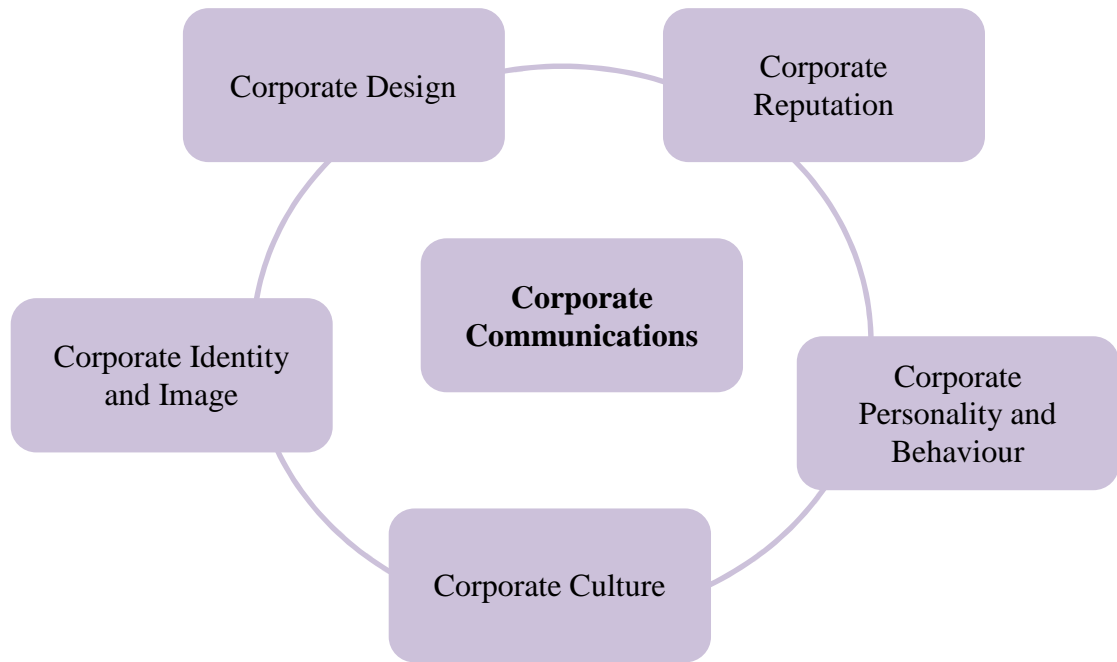


Figure 5: Corporate Communications. Source: own creation

These elements create a cohesive homogeneous appearance of an organization. They cover all types and kinds of messaging and communication. That is, for instance, name, logos, brands, symbols and other means of visual presentation, slogans, claims and straplines (any written presentation), organization's characteristics and attributes, philosophy, values, beliefs and vision, its history and country of origin. Further also ethical principles (code of conduct, compliance policies), processes and procedures, philanthropy and corporate social responsibility, statements and promises, dress code and many more.

A number of important changes in global markets created the need to integrate marketing and corporate communications. With the growing communications clutter, the mass media are becoming increasingly less effective. Audiences and markets tend to become more and more fragmented. Integrated marketing communications, or corporate communications, are about to coordinate multiple and diverse tools targeted at multiple and diverse audiences. [10, pg. 22-23]

However, there are also barriers to integration and corporate communication. Companies cannot be expected to integrate their communications efforts fully overnight. Typical barriers are a high level of specialisation in marketing communications, functional specialisation, traditional structures and most notably, reluctance to change. [10, pg. 28-29]

2.7 Social Media

The power of social media and other “new media” cannot be underestimated or neglected in the age of the Internet. Social media plays a key role in building and maintaining relationships with all kinds of publics.

According to David M. Scott, the Internet has changed the role of PR so enormously, that the “old rules” of marketing and PR are not true anymore.

Companies now have many different opportunities how to reach their consumers directly via online videos, podcasts, webcasts, blogs, mobile applications, viral marketing, social networks, news releases and so on.

Therefore, social media plays a key role in PR. Certainly; traditional media is still an important component of the public relations program. The mainstream and trade media are critically important for many organizations. However, there are also other efficient ways to reach buyers and, if a company does a good job of telling its story directly, the media will find out and they will write about the company too. [15, pg. 10]

Social media allows for communication with various target groups: users, consumers, buyers, bloggers, general public, small businesses and even current and prospective employees.

Additionally, social media functions very well as a platform for thought leadership, where the organization can build its image of a trusted resource.

PR in the age of the Internet and social media calls to action, takes place real-time, engages with fun and rich content, and as such helps create corporate and brand image, corporate and brand personalities and eventually, it helps drive sales.

2.8 Internal Communications

Internal communications, another PR discipline, form an important strategic management function. It helps create and sustain awareness, understanding and engagement among employees.

The values transmitted to customers, suppliers and distributors through external communications need to be reinforced by the values expressed by employees, especially those who interact with these external groups. Internal communications are necessary in order that internal members are motivated and involved with the brand. [4, pg. 897]

The impact of technology plays a significant role as well. The rise of open networking and the new media is increasing the power of employees to inform themselves and network directly with each other. Organizations begin to understand the risk of not communicating with their people, and the need for communicating well. [12, pg. 12-13]

The integration of internal and external communications is a key factor in the development of integrated marketing communications. [4, pg. 897] Internal communications involve both product- and organization-centred messages. It also facilitates communication between management and employees.

Additionally, in a large number of organizations new products and services are often developed through the use of project teams where cross-functional communication is essential for a mutual cooperation and timely project delivery.

Highly important is the credibility of the CEO. The ability of the CEO to communicate effectively with a variety of audiences is essential. By projecting strong, balanced and positive communications, it is thought that a visible CEO can improve the overall reputation of the company. [4, pg. 908]

With all these reasons in mind, organizations should take care to inform members of the network of their strategic intentions as well as their past performance. It requires the accurate targeting and timing of the messages at a pace suitable and appropriate to the target's requirements (e.g. communication without overloading). [12, pg. 290] Although it certainly makes demands on the top management, it helps leave uncertainty at the lower levels of the company.

3 RESEARCH METHOD

The second main part of the thesis consists of the analysis diagnosing the current state of communications in the monitored company. Before the research results can be revealed, and the conclusions inferred, it is critical to explore the research methodology.

Within the basic framework of a qualitative and a quantitative marketing research, the qualitative one has been selected to serve the purposes and the goal of this thesis. A qualitative marketing research method has several advantages which meet the criteria to what should be learned from the information sources, as well as what are the limitations:

- A researcher wants to know the opinions of both, the experts and the laymen.
- A researcher looks for new ideas, observations, background information and out-of-box thinking. He seeks an explanation how people think and how they behave. [8, pg. 166]
- A researcher has a limited amount of experience with or knowledge about a research issue. [18, pg. 120]
- The information sources have to be easily accessible and inexpensive. [8, pg. 153]
- The cognitive ability is relatively high. [8, pg. 166]

The following figure 6 represents the research applications described below.

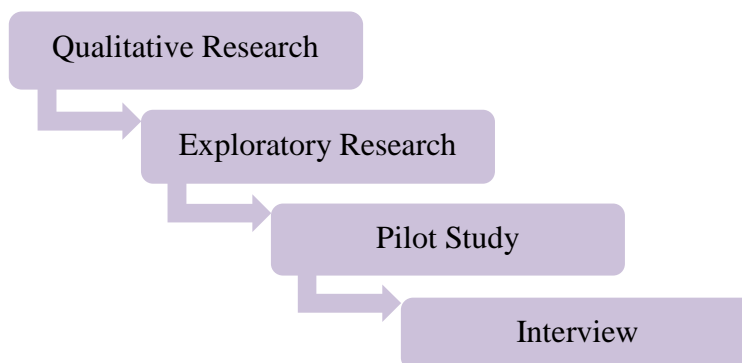


Figure 6: Research applications. Source: own creation

- **Qualitative research** allows learning how people view, understand and interpret a certain researched phenomenon. It helps find motives, reasons, beliefs, etc. through fieldwork with individuals or small groups. This research

method does not use statistical techniques in the first place, although a certain amount of quantification is still needed. [8, pg. 165]

- **Exploratory research** serves as a source for developing ideas which helps understand the nature of the marketing problem. It provides qualitative data. Usually, it provides greater understanding of a concept or crystallizes a problem rather than providing a precise measurement or quantification. [18, pg. 119-120]
- The term **Pilot study** indicates that some aspect of the research will be on a small scale. It involves sampling, but it relaxes the rigorous standards used to obtain precise, quantitative estimates from large, representative samples. Pilot studies generate primary data for qualitative analysis. [18, pg. 126-127]
- An individual face-to-face in-depth **interview** allows for a relaxed atmosphere that creates a convenient environment to discover an extensive amount of truthful subjective opinions. The interview can be structured, relatively unstructured, or unstructured. The researcher asks many questions and probes for additional explanations. The interviewer's role is very important; especially to encourage the respondent to talk freely without influencing the direction of the conversation. [8, pg. 167] [18, pg. 139]

Subsequent features of this research are:

- Single (ad hoc) investigation. This is an investigation realized on a particular date, which explores an actual situation. [8, pg. 155]
- Collection of primary data. Primary data is observed or collected directly from original first-hand experience. The opposite is secondary data that is data collected and/or published in the past by other parties.

Disadvantages and limitations of the qualitative research:

Qualitative research cannot take the place of conclusive, quantitative research. Although it is extremely useful to generate insights and clarifications, the qualitative research techniques have their limitations: [18, pg. 140-141]

- The number of respondents is rather small
- To draw a general conclusion is difficult
- The reliability of the data is reduced [8, pg. 166]

4 WORKING HYPOTHESIS

Based on the theoretical background gained in previous chapters, the working hypothesis can be now defined:

A coherency between external and internal communication of organizations is not adequately effective in the majority of organizations.

The goal of the following analysis will be to verify the above defined working hypothesis. The analysis covers a current situation in a specific company. Working hypothesis can be proved, disproved, or specified.

The results of the analysis will give us clear inputs for the project.

II. ANALYSIS

5 CHARACTERISTICS OF A SELECTED ORGANIZATION

This chapter will briefly describe a current situation in a specific organization. As mentioned in the thesis introduction, the name of the company cannot be revealed to ensure that any potentially sensitive or confidential data is not disclosed.

5.1 History of an organization

The organization conducts its business in the software industry. The company has Czech roots as it was founded in 1991 by two young entrepreneurs in Brno, Czech Republic. In its early beginnings, the company engaged in selling IT equipment, 3rd party software and its own anti-virus product. In 1994, the company started to focus solely on its anti-virus product, and expanded internationally in 1997. In 2000, it introduced its first free version of the anti-virus product. This was a significant milestone impacting on the whole anti-virus industry: the freemium business model¹, which has probably been in use for software since the 1980s, has been introduced for the first time also for anti-virus products. By this disruptive approach, the company gained global awareness and attracted several foreign investors who supported its future growth. Since 2007, the company has acquired ten prospective companies with added value to enhance its core product, introduce new products and secure distribution channels. In 2008 the name of the company was changed, and the company was headquartered in the Netherlands. In 2012, it entered New York Stock Exchange and started to be publicly traded company. Today it has offices all over the world (for instance in San Francisco, London, Prague, Tel Aviv, Beijing) and more than eight hundred employees dispersed geographically. [1]

5.2 Communication and business situation

The rapid growth of the company was not without certain concessions. Limited resources available were reserved for business priorities of a strongly product-oriented company. In this setting, the marketing department carried out short-term profit-oriented objectives. The situation was unchanged until 2010 with the establishment of the internal

¹ Freemium business model: Freemium is a business model by which a product or service (typically a digital offering such as software, media, games or web services) is provided free of charge, but a premium is charged for advanced features, functionality, or virtual goods. [6, pg. 195]

communications department. The PR department was established in 2011 – quite unusually only after internal communications. This situation appeared due to specific conditions inside the company, where the changes related to the business were not well communicated to employees with direct impact on overall company performance. Quick action on the side of top management was critically needed. Finally, this resulted in the establishment of the internal communications department in early 2010.

The formation of the Public Relations department was still needed, however not that critically. It was therefore established a year later, in early 2011. This step corresponded with overall efforts of top management to start moving from a product-oriented security company to a customer-oriented platform company. Both internal and external communications are nowadays playing an important role in this shift.

6 THE RESEARCH RESULTS

The research closely focuses on the specific business situation in the company described in the chapter above. It aims to analyse the current state between external and internal communication in the company. The results of the research lead to the verification of working hypothesis (proving, disproving, or specification).

6.1 The research description

The research was conducted in the form of a guided interview with seven open questions. In total, there were 17 respondents, who were selected beforehand to constitute a representative sample of the company population. The research took place from April to August 2012. The interviews were always recorded with the respondent being informed about the recording. Interviews were held in the form of a face-to-face one-to-one meeting (in total 12), or online via a teleconference (in total 5) with those respondents who were located overseas. The majority of interviews (in total 14 out of 17) took place in a calm environment (e.g. meeting room). Three of the face-to-face interviews were conducted in a public (therefore comparatively busy) area (café / lounge / restaurant). Only 2 respondents (R13 and R15) requested to see the list of questions before the interview was actually held.

6.2 Representative sample

Respondents were carefully selected to copy on a small scale the company population, as can be seen in table 1. On a tridimensional graph, each respondent is placed on Company level axis, Department axis, and Location axis (see figure 7). Each respondent is under the code name (in bold blue) placed in a certain position in table 1, details to each respondent can be found in table 2.

Company level	Department	Location
1/ Executive Management Team R2, R9	1/ Finance R12, R16	1/ Czech Republic R2, R5, R6, R7, R8, R9, R11
	2/ Human Resources R9	
2/ Senior Management Team R1, R3	3/ Legal R7	
3/ Management Team R4, R6, R10, R11	4/ Operations R1, R2, R3, R4, R6, R10, R17	2/ USA R10, R15

4/ Line Management R13, R17	5/ Product Delivery (Product, Project, and Program Management) R5, R11	3/ UK R1, R17
5/ Individual Contributor R5, R7, R8, R12, R15, R16	6/ Technology & Engineering R8, R13, R15	4/ ROW (China, Cyprus, France, Germany, Israel, The Netherlands) R3, R4, R12, R13, R14, R16

Table 1: Representative sample distribution. Source: own creation

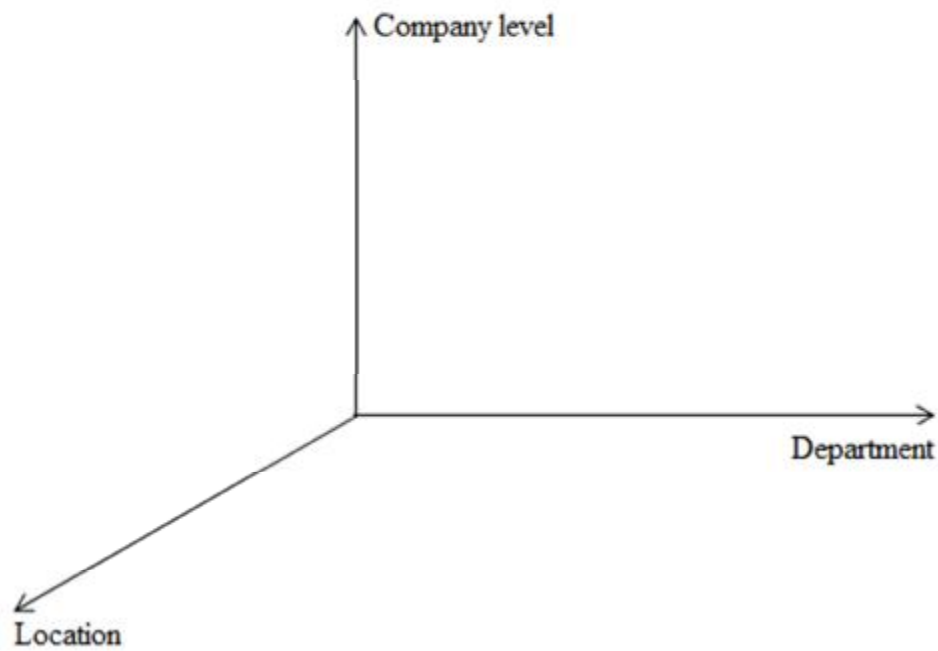


Figure 7: Tridimensional graph of representative sample distribution. Source: own creation

List of respondents with research details:

Code name	Title	Company Level	Department	Location	Date of interview	Language	Duration	Conditions
R1	Senior Vice President Global Marketing	Senior Management Team	Marketing	UK	13.4.2012	English	25:32	Face-to-face, one-to-one meeting in a meeting room
R2	Chief Operating Officer	Executive Management Team	Operations	Czech Republic	20.4.2012	English	6:34	Face-to-face, one-to-one meeting in a respondent's office
R3	Managing Director, E-shop Operations	Senior Management Team	E-Shop Operations	Cyprus	24.4.2012	English	21:45	Face-to-face, one-to-one meeting in a meeting room
R4	Operations Director, Management	Management Team	Operations	Israel	24.4.2012	English	35:22	Face-to-face, one-to-one meeting in a meeting room

R5	Product Strategy Analyst	Individual Contributor	Product Management	Czech Republic	24.5.2012	English	11:35	Face-to-face, one-to-one meeting in a meeting room
R6	Sales Director	Management Team	Sales	Czech Republic	24.5.2012	Czech	29:17	Face-to-face, one-to-one meeting in a meeting room
R7	Associate Legal Counsel	Individual Contributor	Legal	Czech Republic	30.5.2012	English	12:51	Face-to-face, one-to-one meeting in a meeting room
R8	Senior Developer	Individual Contributor	Engineering	Czech Republic	30.5.2012	Czech	14:39	Face-to-face, one-to-one meeting in a meeting room
R9	Vice President Human Resources	Executive Management Team	Human Resources	Czech Republic	19.6.2012	Czech	11:57	Face-to-face, one-to-one meeting in a café
R10	Vice President Social Media	Management Team	Marketing	USA	27.6.2012	English	12:26	Face-to-face, one-to-one meeting in a lounge
R11	Program Management Director	Management Team	Program Management	Czech Republic	12.7.2012	Czech	13:52	Face-to-face, one-to-one meeting in a meeting room
R12	Accounting Supervisor	Individual Contributor	Finance	China	7.8.2012	English	16:05	One-to-one online teleconference from a meeting room
R13	Operations Manager	Line Management	Technology	France	9.8.2012	English	12:45	One-to-one online teleconference from a meeting room
R14	Senior Director HR & Legal	x	x	Germany	9.8.2012	English	13:44	Face-to-face, one-to-one meeting in a restaurant
R15	IT Operations Manager	Individual Contributor	Technology	USA	13.8.2012	English	8:37	One-to-one online teleconference from a meeting room
R16	Accountant Senior	Individual Contributor	Finance	The Netherlands	17.8.2012	Czech	11:39	One-to-one online teleconference from a meeting room
R17	Customer Services Manager	Line Management	Customer Services	UK	30.8.2012	English	9:22	One-to-one online teleconference from a meeting room

Table 2: List of respondents with research details. Source: own creation

As has been mentioned already, the representative sample copies on a small scale the company population. In terms of department, the biggest organization within the company

is Operations, which includes Search & Platform, E-shop Operations, Marketing, FREE product, Customer Services, Social Media, Mobile business, and Sales. For that reason, in total 7 respondents represent this organization in the research. The next quite large organizations are Technology & Engineering, Product Delivery and Finance, which are represented by 2 – 3 respondents each. On the other hand, Human Resources and Legal are comparatively small organizations, and therefore represented only by one respondent each.

The same applies for the company level and the location. The most numerous groups within the company are the Management Team and Individual Contributors (Employees). Those groups are represented by 4 respondents in terms of Management Team and 6 respondents in terms of Individual Contributors. Comparatively smaller groups are Executive Management Team, Senior Management Team and Line Management, which are represented by 2 respondents each.

In terms of location, by far the biggest branches are located in the Czech Republic, in Prague and Brno – according to the official company sources, in June 2012, 66% of all employees were based in the Czech Republic. Similarly to the Operations (see above), this group of employees is represented by 7 respondents. The next considerably large branches are located in the USA and in the UK, and therefore represented by 2 respondents each. Rest of the world comprises China, Cyprus, France, Germany, Israel, and the Netherlands – each branch is represented by one respondent.

There is one exception created by the branch in Germany. This still rather new branch has been added to the portfolio due to an acquisition, and the acquired company has not been fully integrated yet. Therefore the respondent R14 is placed in table 1 only in a respective location; company level and department are omitted.

6.3 The questions

The questions were asked in this order:

- Question 1: How in your opinion is the company externally perceived – globally (as a corporation) and locally (specifically in your country)?
- Question 2: How do you personally perceive the company?
- Question 3: Do you actively search for news and information about the company? If yes, why? If not, why?

- Question 4: Where do you mostly look for news and information about the company?
- Question 5: What are your preferred internal communication channels (SMS, email, intranet, boards, internal newsletter, posters, personal meetings, team meetings, etc.) and why?
- Question 6: Imagine that the company considers deploying an internal social media network like Facebook as another communication tool available and you are here to advise the CEO. What would be your suggestion and why?
- Question 7: In your opinion, is the communication outside and inside the company coherent? Meaning that employees have the same amount of information as the external audience (company says to employees what it is saying outside, and it is transparent, timely and truthful).

Several Czech respondents preferred to hold the interview in Czech language. The questions were translated as follows:

- Otázka č. 1: Jak se dle tvého názoru na firmu zvenčí pohlíží? Globálně – coby korporaci i lokálně u nás v ČR?
- Otázka č. 2: Jak se ty sám na firmu díváš?
- Otázka č. 3: Vyhledáváš aktivně informace a novinky o firmě? Pokud ano, proč? Pokud ne, proč?
- Otázka č. 4: Kde tyto informace vyhledáváš?
- Otázka č. 5: Jaké jsou tebou preferované interní komunikační kanály (SMS, email, intranet, nástěnky, interní newsletter, plakáty, osobní schůzky, týmové schůzky, atd.) a proč?
- Otázka č. 6: Představ si, že firma uvažuje nad tím, že by implementovala interní sociální síť podobnou facebooku, která by měla sloužit jako další komunikační nástroj pro zaměstnance. Tvojí úlohou je poradit generálnímu řediteli. Jaký by byl tvůj názor – ano či ne a proč?
- Otázka č. 7: Je dle tvého názoru komunikace uvnitř a vně společnosti koherentní? Tzn., že zaměstnanci mají stejné informace ve stejnou chvíli jako veřejnost? (Firma sděluje zaměstnancům, co říká venku, tyto informace jsou včasné, transparentní a důvěryhodné.)

All questions aim to – directly or indirectly – find answers which shall help us define the actual state between external and internal communication in the company. From such a case study, we can then infer, whether the working hypothesis true or false.

During each interview, the interviewer followed the given scenario and order of questions; but on the other hand not strictly word for word. Where it was reasonable, necessary, or at least where one could expect new thought and an interesting answer, a slight digression with an additional question was fully appropriate.

6.4 Answers and opinions

As 17 interviews were held in total, counting together for more than 4 hours of recording, the exhaustive transcript will not be – with regards to the extent of this work, provided. However, recordings are annexed to the work for listening, if one wishes.

For each of the seven questions, a few answers are transcribed to give the evidence and the most interesting and important inputs. The answers are shortened.

Question 1: How in your opinion is the company externally perceived – globally (as a corporation) and locally (specifically in your country)?

R1: *Brand awareness is normally measured in two ways: spontaneous awareness and prompted awareness. Spontaneous awareness is if I say to you name a software security company. Prompted would be: oh, out of McAfee, Norton, Kaspersky – do you recognize? (...) In the United States we did a big campaign and we took our spontaneous awareness in the United States from 20% to 26%. And we got 48% to 50% in prompted awareness. So that is an indicator of people being more aware of us. (...) So I think overall, we're very well-known globally, particularly in the United States, but in the Czech Republic it is very important that we maintain what we have.*

R3: *We are quite well-known and that's mostly because of the Free product. (...) So, where it is overall, people know about us, but obviously the brand awareness is not where I would like it to be in Cyprus. (...) Globally, that's definitely a big gap – just looking at the US, looking at the UK as well, our brand awareness is quite substantial.*

R8: *Já znám hlavně názor lokální, z České republiky, kde náš obraz není moc pozitivní, už tedy delší dobu. O našem produktu se říká, že je pomalý. (...) Ale slyšel jsem, že je to nějaká cílená kampaň konkurence. (...) Globálně to tak není, když čtu nějaké diskuze, tak*

tam náš produkt, naši značku vychvalují. V cizině nás doporučují jako kvalitní anti-vir zdarma.

Question 2: How do you personally perceive the company?

R6: Je to, myslím, jedna z těch firem (...), kde právě bude existovat dost značný rozdíl v tom, jak tu firmu lidi vnímají zevnitř a jak ji vnímají zvenku. (...) Vzhledem k tomu, že ta firma si prošla ohromně rychlým vývojem a změnou (...) ještě v roce 2007 měla ta firma nějakých 130 zaměstnanců a dneska máme 900 zaměstnanců! (...) Procesy ale nešly ruku v ruce. Firma má, z venku viděno, atributy nadnárodní korporace, ale ta firma se zevnitř mnohdy chová lokálně. A tam si myslím, vzniká právě docela potíž.

R12: I feel we are not getting a strong support from the headquarters as we are a remote office. We are not maybe so important, at least right now.

R15: Personally, the company is a very attractive employer, probably one of the best companies I ever worked for.

Question 3: Do you actively search for news and information about the company? If yes, why? If not, why?

R2: I get information constantly, so it's a little easier. But yeah, I go I would say two times a week looking at our website, our press releases, and the things going on.

R7: I think it kind of changed for me, when we became public company this year. Until then I was only seldom looking for some marketing campaigns and things like that (...). Since we became a public company, I became more interested in the overall progress (...). I am quite regularly checking the stock price.

R13: Yes, absolutely. Every day. Every morning when I have my breakfast, I seek for news about the company at many websites. I think for two reasons: the first reason is that it is important to know what is going on (...); if you work in the company, it is important to know what is going on with the company. The second reason is that it is important to be aware of everything, because we are resellers, we have customers and they read news; and if they ask as a question about it and we are not aware about it, it is not good for our image.

Question 4: Where do you mostly look for news and information about the company?

R5: *External. I don't use any internal tools (...) the company has a portal, but I think it's almost always outdated.*

R14: *I'm quite busy, so I don't have so much time to search all the SharePoint sites (...). I'm using the SharePoint, but when I search news about the company, I think one main information medium is the homepage and the Facebook account. (...) Facebook is the first one I use.*

R16: *Více interně. V oddělení od vedoucí nebo od ostatních kolegů – udělat si obrázek o těch informacích nebo o novinkách.*

Question 5: What are your preferred internal communication channels (SMS, email, intranet, boards, internal newsletter, posters, personal meetings, team meetings, etc.) and why?

R4: *So... usually, to be honest, it will be emails. (...) For my very personal perspective, emails are much clearer than any other type of communication. Any oral communication is subject to misunderstandings, (...) it is subject to cultural and language barriers. (...) Email – very structured one, very detailed one (...), time frames, action items and tasks (...) I tend to be working lots with email. It is favourite part of my communication. And I can review it twice.*

R11: *Já mám rád, když mi informace přijde třeba mailem, protože si ji můžu přečíst kdykoliv a je to tam většinou jednoznačně napsané. Zase na druhou stranu mailová komunikace ti neumožňuje si dát doplňující otázku. (...) Mě třeba neoslovuje S.P.A.M. newsletter – navzdory tomu, že je to obecně vzato výborný komunikační prostředek, tak já nemám čas ho číst.*

R15: *Email. And the reason for that is that there is no set-up schedule for it, so I don't to set aside any time, I don't to go to any special website (...) and it allows us to be immediately updated.*

Question 6: Imagine that the company considers deploying an internal social media network like Facebook as another communication tool available and you are here to advise the CEO. What would be your suggestion and why?

R6: *To jsem špatná osoba na tuhle otázku. Já jsem totiž extrémně anti-sociální síťář. Ale záleží asi, jakou by to mělo formu. (...) Kdyby to mělo formu, která by měla tendenci se zvrhnout v nějaký chatování, tak bych to určitě nedoporučil. (...) Vždycky se to zneužije (...) a neplní to ten účel, kterej by to mělo primárně mít.*

R10: *I would probably ask a lot of questions back. I would ask why, like what would the real objectives be. And also of our main employee base, like how do they normally access and share information. (...) I don't know what value it adds, how it would be used. (...) I guess I would try to figure out, is there really a need for it. How would people use it, would they use it, would it add any more value than the tools they are already using.*

R13: *I think we should do it, I think it's a good idea, because our employees are everywhere in the world, so I think sometimes you just feel being a member of a local company, so I think that such tool can help to feel being member of a big company, not just a local team. (...) My advice would be to define clear rules regarding the content.*

Question 7: In your opinion, is the communication outside and inside the company coherent? Meaning that employees have the same amount of information as the external audience (company says to employees what it is saying outside, and it is transparent, timely and truthful).

R9: *Posun v tom, co je navenek a vevnitř pro normálního zaměstnance je nulový. Možná jsem tady moc kritický, ale podle mě je hodně mizivý. (...) Za mě je to PR pro PR: lidi se můžou dozvědět o tom, co se kde psalo, jaké máme kde pokrytí, co se dělá.*

R10: *Yes and no. I feel like we get information about big things. (...) For big product releases we get that info, for smaller things – I think it will be good to have more visibility, kind of the smaller things. (...) But for the most part we do a good job, communicating big things.*

R17: *I would say yes, but I think we can still improve communication. (...) We've had lots of structural changes this year and I think communication could be better around these changes and how we implement changes. I think change is a big thing for staff.*

6.5 Results

Brand awareness: quite an interesting discrepancy can be seen there. Czech respondents more often mention certain negative perceptions that they hear from their friends and families, acquaintances and the general public; while foreign respondents typically mention positive feelings towards the brand and the product, or they are essentially neutral. On the other hand, the brand awareness is considerably higher in the Czech Republic than on other markets, but these markets once they recognize the brand, tend to favour it (in contrast to the Czech Republic). Additionally, the majority of respondents mention the Free product, which is according to their opinion very well known, while awareness of other products (paid versions, parental control, mobile products and so on) is considerably lower.

Company as an employer: in general, managers tend to believe that the company is perceived as a good employer by its employees. In small markets like Cyprus, the company has a very good reputation as an employer and an attractive standing, a company that people would like to work for. In the Czech Republic, there is again sort of a gap, where an employee feels being proud of working for a large international company, or he is frustrated by many changes and issues that such a growth brings alongside it. A certain group of Czech employees also feel distant to the American management of the company. The standing of remote offices is challenging as well: these offices intensively feel the distance, being sometimes not well informed or supported. However, it is possible to conclude that an average employee feels positive about the company as an employer.

Seeking information: the higher the position in the company, the less need to seek information. Typically, a manager obtains enough information (e.g. reporting, information circles and managerial meetings) that he does not need to look for any additional information. On the contrary, lower levels of company (line managers, individual employees) do seek information, news and updates about the company (e.g. how does it standing towards the competition, marketing campaigns, media coverage, etc.). A great level of interest has been triggered by the IPO process and the company entering the New York Stock Exchange. Generally, employees are very much interested and keen to be in the loop.

External and internal sources of information: as can be seen in table 3, employees generally use both sources of information – internal as well as external. Obviously, it

always depends, what type of information they seek (as certain information is available only internally and others might be available only externally). However, concerning our marketing and media campaigns, and related information about the standing of the company and its business, the internal sources seem not to be fully up to date and reliable. Respondents often perceive them as already outdated, or incomplete. A typical example is a company intranet based on Microsoft Office SharePoint solution which lacks user-friendliness. Poor user experience causes a widespread view that it is difficult to quickly find any information there. Due to VPN connection issues it is sometimes difficult to access the intranet remotely. Some respondents emphasize that often they learn the latest business news about the company (e.g. product news, recent acquisitions, etc.) from the media rather than from internal company sources. Such an environment creates room for second-hand communication where employees ask their colleagues for information rather than the knowledgeable source.

Internal communication channels: by far the most popular is email communication. The reasons are clear – the company is multilingual with many non-native English speakers, who prefer written communication over the oral one (due to language and cultural barriers). In addition, email communication allows to read it anytime anywhere without being in a specific time in a specific place (like for meetings). One can read it twice to be sure that he understands and it can be archived for future reference. Finally, one is not required to actively search for information because it is provided to him. On the other hand, respondents are aware of its limitations. That is the reason why also other communication channels are still popular, with various meetings (e.g. face-to-face meeting, teleconference, team meeting, etc.) and intranet on top.

Internal social media: as can again be seen in table 3, a univocal answer to this question does not exist. Although any company can benefit from an internal social media tool being in place (a platform for sharing ideas among team members, existence of communication groups for geographically dispersed teams, instant messaging, file sharing, engaging informal tool creating friendly working environment, etc.), there are also certain risks that such tool always creates (as discussed further). This is also mirrored by the research results – respondents were not very certain, some said ‘yes’ or ‘rather yes’, some inclined to ‘no’ or ‘rather no’. However, the negative belief slightly prevailed (10 out of 17). Respondents questioned the value of such a tool compared to already existing tools, time consumption and the possibility of irrelevant private communication, the possibility

of misleading information and intentionally detrimental communication. Often they mentioned a strong need for guidelines regarding the appropriate content, a need for a moderator or administrator as well as for a critical mass which will actually create the content. It was identified that only some teams might be actually using it, while others may not need and use it at all.

Communication coherency: one of the outcomes from the survey that the company conducted in February 2011 [3] was that employees miss regular business and financial information about the company communicated to them by the top management. A big step forward was done in this respect with global quarterly teleconferences organized for employees where they can listen to top executives speaking about business results. Respondents are aware of these improvements made so far, and they feel positive about them, however there is still great room for further improvement. Generally, respondents feel well informed about the major things (e.g. becoming a publicly listed company, key product launches) but minor things (product awards and certificates, positive articles in media) are not communicated, or they reach employees with a delay. Often, external and internal communication is disconnected. On the other hand, it was pointed out that certain sensitive or confidential information cannot be shared internally, as the risk that it could leak out is too high; however once such information is publicly disclosed (e.g. at the earnings announcement for the investors community), it should be instantly communicated to employees (synchronization, communication “at the same time”). As for now, there is still sort of a gap, and such synchronization is missing on a daily basis. Finally, some respondents admitted that other extreme – information overflow – must not happen as well. About 4 respondents felt comfortable with the amount of news and information the company is providing to employees.

In the table below can be seen the general quantification of responses to questions no. 4, 5 and 6, which accompanies the research results. Although the research was conducted in a qualitative format, a certain way of quantification and generalization is essential for the conclusion. For these three questions, this was an ideal approach.

Respondent	External Communication Channels	Internal Communication Channels	Preferred internal communication channel	Internal Social Media tool
R1	P		Town Hall meetings Face-to-face meetings	Rather no
R2	P	P	Company website	Yes
R3	P	P	Email	Rather no
R4	P	P	Email	Yes
R5	P		Company website Blogs & Social	Yes, but later
R6		P	Personal contact Email, telephone	Rather no
R7	P	P	Intranet, Company Quarterly Updates	Neutral
R8		P	Intranet, meetings	No
R9		P	Executive meeting	Rather no
R10	P		Intranet, email	Rather no
R11	x	x	Email supplemented with oral comm.	No
R12	P	P	Company Quarterly Updates	Yes
R13	P	P	Email	Yes
R14	P	P	Intranet, email	Rather yes
R15	P		Email	No
R16		P	Oral or email	Rather no
R17	P	P	Company Quarterly Updates	No

Table 3: General quantification of responses. Source: own creation

Explanation of unknown terms:

Town Hall Meeting: a larger meeting for all members of a certain team, department, or office, where speakers from management update listeners with the latest information on given topics.

Company Quarterly Updates: a global teleconference organized at the end of each quarter for all employees to be updated with the latest business and financial results of the company by its top management.

7 VERIFICATION OF HYPOTHESIS

Now, when we have the complete research results, we can verify the hypothesis defined in the last chapter of theory.

The hypothesis reads as follows: **A coherency between external and internal communication of organizations is not adequately effective in the majority of organizations.**

Based on the research results we can state that this hypothesis is true. Although, a certain coherency between external and internal communication of organizations indeed exists, its effectiveness and sufficiency are questionable. Somehow, the external and internal communication is often disconnected. This situation then impacts all communication functions.

The research largely focused on the internal environment. This is due to the fact that internal communication constitutes an important PR function with a great impact on the effectiveness of other communication tools.

Additionally, various topics in the research brought up several important inputs for the project. The inputs are briefly discussed in the following chapter.

8 INPUTS FOR THE PROJECT

The results of the analysis including the verification of the hypothesis brought up several important inputs for the project:

- There is a strong need for a closer cooperation within all communication functions.
- A great level of synchronization is required.
- A challenge for marketing and public relations is to make the company and its messaging more visible and accessible to media, journalists, bloggers and other publics
- A challenge for internal communication is to regularly update employees so they feel that they are well informed (with an adequate amount of information)
- Product marketing / Product PR
- Industry (market) intelligence
- Communication of change

III. PROJECT

9 A DRAFT OF CORPORATE COMMUNICATIONS PLAN

To consistently communicate and share information has become one of key challenges for the company. The corporate evolution has not reached the mature state yet. The company misses a clearly defined process of sharing information with a communication hub responsible for the appropriate communication flows, ensuring that each stakeholder has a proper amount of information.

The actual business situation in our company is very well described in works and publications of a number of influential and respected academics. They suggest that organizations have made little attempt to restructure their marketing communications disciplines and that public relations and marketing remain as a clear divide. However, there are now much closer cross-functional relationships and systems and processes to support integration. [4, pg. 265]

In the core part of my thesis, I would like to develop a concept of how the company can move towards a perspective process of integrating its communication functions. The aim is to enter the next level: Corporate Communications. First half of the project will be focused on the process perspective, second half will engage more in content (see pg. 17).

9.1 Present situation

Today, the organizational structure reflects the standard situation of a product-oriented company. Communication functions are divided among the Marketing department, Public Relations department, Social Media team and Internal Communications team which is part of the Human Resources department. Roles and responsibilities of these functions are quite isolated. Cross-functional relationships do exist, but they are informal and solely people-based.

As can be seen in the following organizational charts (figure 8 – figure 12), individual functions are highly specialized. This is one of the very first barriers to integration.

Additionally, with the cancellation of SVP Global Marketing position, the marketing department is undergoing several key structural changes at the moment at the senior management level. It influences the whole departmental structure and the reporting lines.

Numbers in round brackets of each chart indicate the size of the organization.

Marketing and Social Media cascaded from the CEO level:

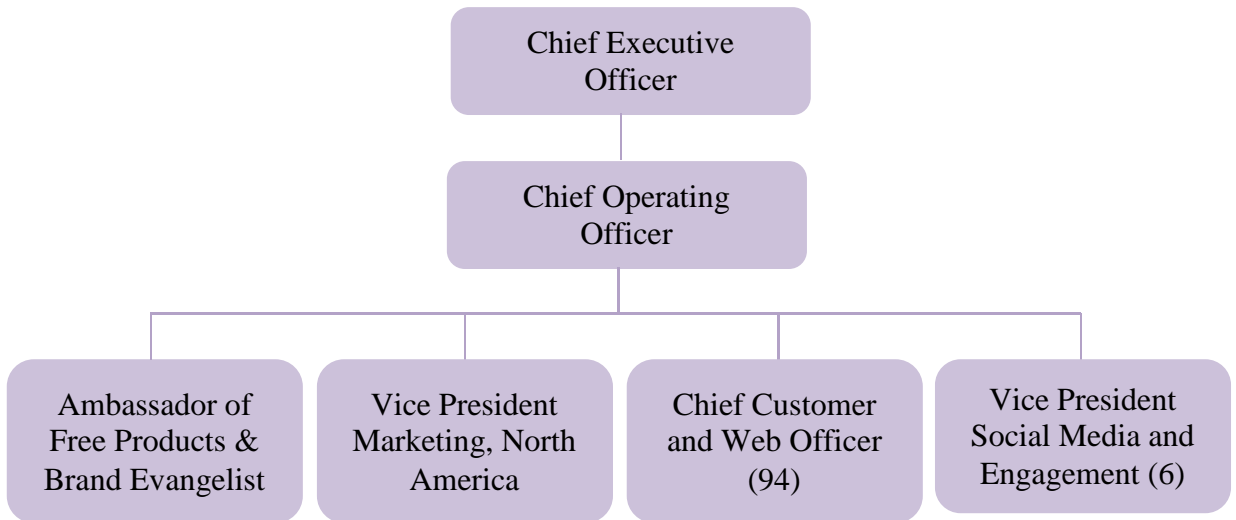


Figure 8: Marketing and Social Media, first tier. Source: own creation

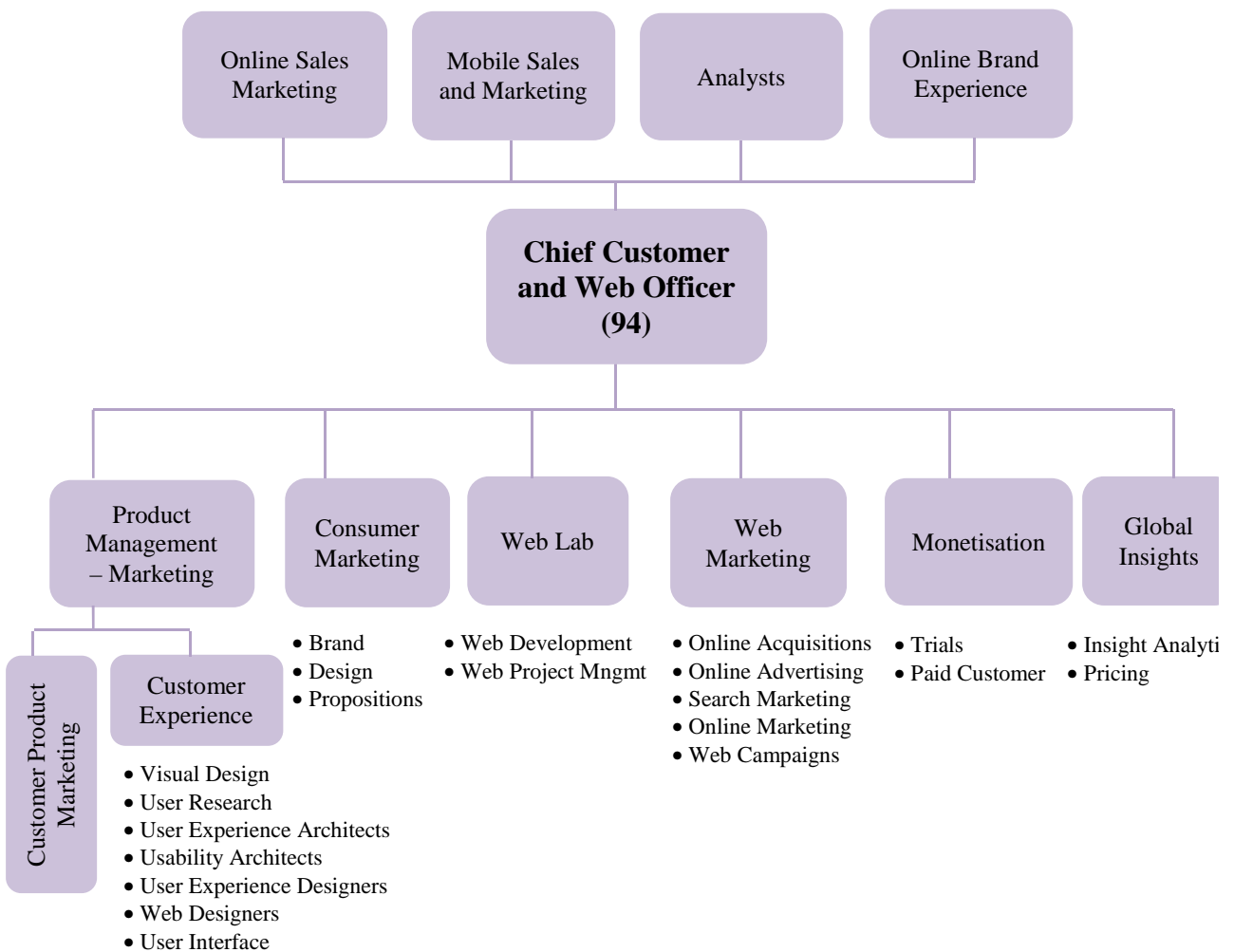


Figure 9: Marketing Department. Source: own creation

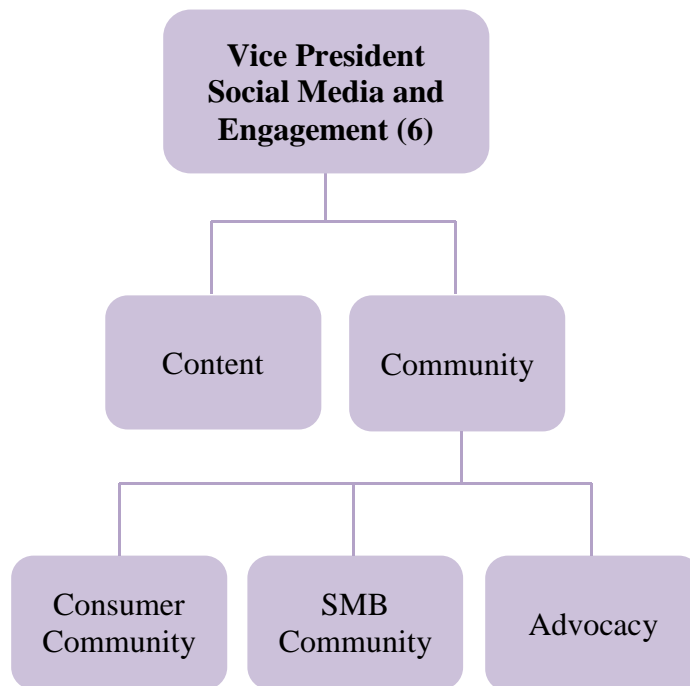


Figure 10: Social Media team. Source: own creation

Public Relations cascaded from the CEO level:

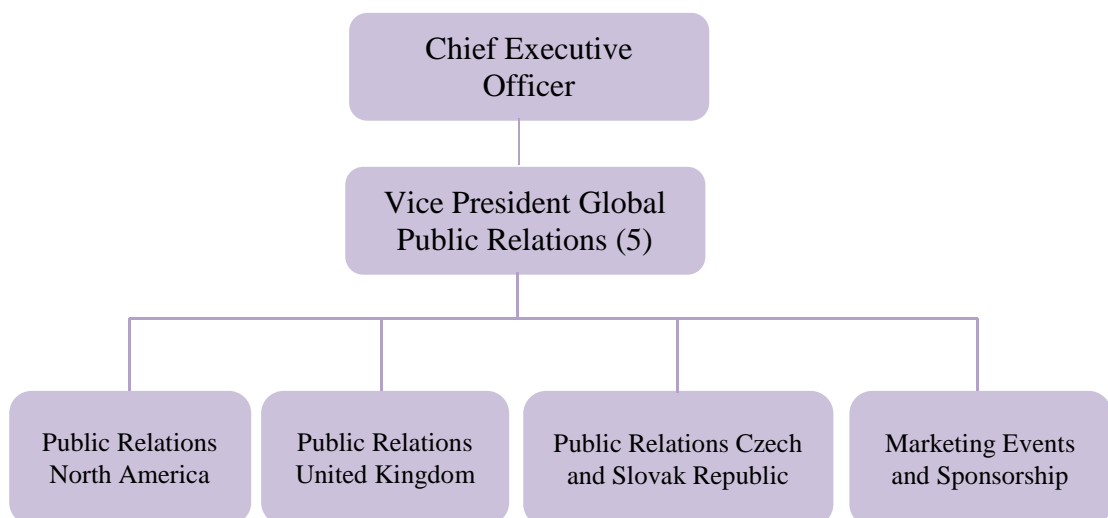


Figure 11: Public Relations department. Source: own creation

Internal Communications cascaded from the CEO level:

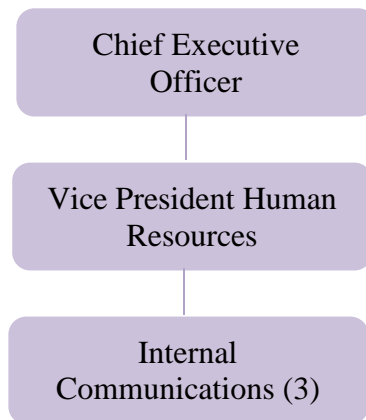


Figure 12: Internal Communications team. Source: own creation

Needless to say, the current fragmented structure is the outcome of various personal relations, managerial discussions, negotiation, and (un)willingness of various managers to accept the responsibility for a certain organizational function.

9.2 Global Public Relations

Public Relations department is a quite young organization within the company, however it demonstrates fast growth. The department is also successful in networking with a number of third-party agencies on various markets around the world as well as with key stakeholders within the company.

Importance of public relations is that it serves as “glue” – it helps bring various marketing communications tools together. Therefore, under the proposed plan, the Public Relations department should form a basis for the establishment of Corporate Communications.

9.3 Corporate Communications

The author of this thesis sees the Corporate Communication as the next level of integration. Once the various communications functions are integrated, they can unite as a single-voiced organizational structure.

However, according to Wilcox and Cameron, the concept of integration is less controversial than its implementation. It makes sense for an organization to coordinate its

messages and communication strategies, but considerable discord arises on exactly how to accomplish this. The single biggest obstacle is company structure. [17, pg. 22]

Therefore, the plan must be realistic in the first place – that’s the key factor for its acceptance by the top management. For that reason, the marketing department remains at this stage of the plan an independent organizational function (as can be seen in figure 13).

There are certain plans to establish a position of the Chief Marketing Officer. For now, Chief Customer and Web Officer and Vice President Marketing, North America are both reporting to the Chief Operating Officer. Personal relationships will play a key role in a re-design of reporting lines: whether the Chief Marketing Officer will report to the CEO or COO, whether the Chief Customer and Web Officer and Vice President Marketing, North America will both reporting to CMO, or the existing reporting lines will be preserved, etc. Ideally, the entire marketing organization should be under the CMO, who will report to the CEO.

Although, not fully integrated at this stage yet, Marketing and Corporate Communications must ensure that they work closely together.

Proposal of Corporate Communications cascaded from the CEO level:

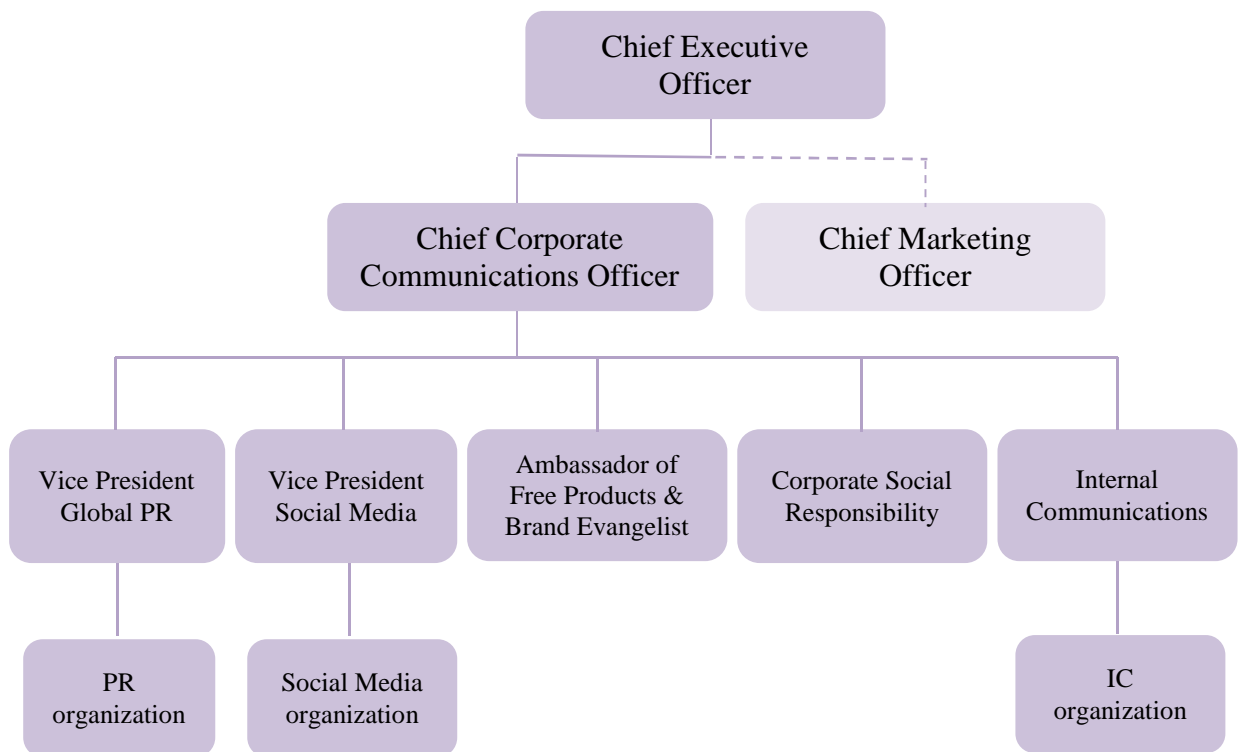


Figure 13: Corporate Communications proposal. Source: own creation

To change the company structure in such a crucial extent will definitely be a long-term challenge. Different aspects and impacts will have to be considered carefully.

9.4 Roles and responsibilities

The establishment of a one single communications department will allow for much easier and clearer communication and information flows. With right processes in place (see chapter 9.6), all activities of all communication teams and functions can be better coordinated and synchronized. Also, other teams and departments within the entire company should be better informed.

The primary role of the Chief Corporate Communications Officer will be to ensure that various activities inside his team are synchronized and that the department speaks and acts as a one man towards all publics (both internal as well as external). This, of course, does not mean that communication should not be targeted to various needs and desires of various publics; however, it cannot be inconsistent or contradictory.

Second, the Chief Corporate Communications Officer will have to ensure close and sufficient cooperation with the marketing department at all levels. Additionally, similar cooperation with the Investor Relations will be more than vital.

Finally, for his part, he will be responsible for accurate and timely information flows towards other departments within the company, as in the end, any company can be described as a single organism, and all functions must cooperate together to keep it alive and on track (more on that will be discussed in chapter 9.6). Communication and awareness of past and future projects, plans, and performance is a basic precondition to the successful cooperation.

Vice President Global PR will be responsible for the whole PR team and its activities on various markets around the world. He should pay a special attention to cooperation with Corporate Social Responsibility team and Internal Communications team. CSR helps create a good reputation for the company, and supplies PR with compelling corporate stories, which are attractive for media as well as for employees. Internal Communication can share PR activities with the internal audience: interesting events that company organizes, positive presence of the company in influential media, information about the

awards that the company has earned and so on. Clearly, mutual cooperation on a daily basis is favourable for all units.

Vice President Social Media will be responsible for the whole Social Media team and its activities. The portfolio is quite large: social networking with communities on Facebook, Twitter, YouTube and LinkedIn; creation of content; blogging; viral video campaigns and so on.

Again, Social Media team should cooperate with other units within the department to be able to share the latest corporate stories in real time. Coordination with other departments in the company is also crucial – for example, Customer Services now provide technical support via Facebook account among others.

Internal Communication currently operates as function of the Human Resources department. The transformation under the Corporate Communications is unavoidable from the long-term view. The close connection with the HR department should be certainly maintained.

For various reasons, corporate social activities are at the moment implemented by the Internal Communications. They are targeted on employees to encourage them to participate in various rewarding charitable initiatives organized by the company. Again, from a long-term view, a separate unit dedicated solely to the CSR should be established.

Last but not least, marketing department will carry out corporate design and corporate identity together with other responsibilities as of today.

9.5 Resources and return on investments

It is without doubt that the integration of the communications functions within the company will require various resources, being it human resources, financial resources, time allocation, etc. Such a step should not be perceived only as a cost, but rather as an investment with advantageous returns:

- More synchronized communications spending the allocated financial resources more effectively
- Potential for project prioritization

- Effective cross-functional cooperation / coordination allowing for timely project delivery and less issues to be fixed
- Potential for building corporate image and reputation. Stronger brand with stronger voice will allow for increased market share

9.6 Processes

To ensure the smooth operations within the whole new department, various existing processes need to be reviewed, and if needed, redesigned. Additionally, new processes will be gradually introduced.

A process clearly describes a certain activity, assignment, task, etc. It sets roles and responsibilities, flow of work, parties to be informed, approval matrix, expected outcome and more. In a nutshell, it serves as a general guideline how things should be done.

It can be expected that with the establishment of a new single department, the setup of existing and new processes will be one of the biggest areas to focus on. One of the main reasons behind is a large impact on the other departments in the company and the overall cross-functional cooperation. This impact can easily turn out to be a negative one. Figure 14 on the next page shows only a small proportion of many mutually connected multi-step ways of communication to illustrate that the highly developed cross-functional cooperation is a key strategic advantage.

With an emphasis on the scope of this work, it is essentially impossible to include all the functions of an organization into the chart. For example, Legal department responsible for approvals and sign offs from the legal point of view, Finance department responsible for allocation of financial resources, Product and Project Management managing the product development, Engineering department actually delivering the product, Technology department supplying all technological resources and platforms for various systems and databases, and so on.

Figure 14 portrays an ideal future state – “how things should be” – rather than the actual state of communications among departments within the organization.

Currently, Program Management serves as a communication hub in a project-oriented company. Still, not all teams and departments are well informed, certain “pieces of the puzzle” are often missing. This causes confusion and some communication gaps, and therefore impacts the achievement of company business goals.

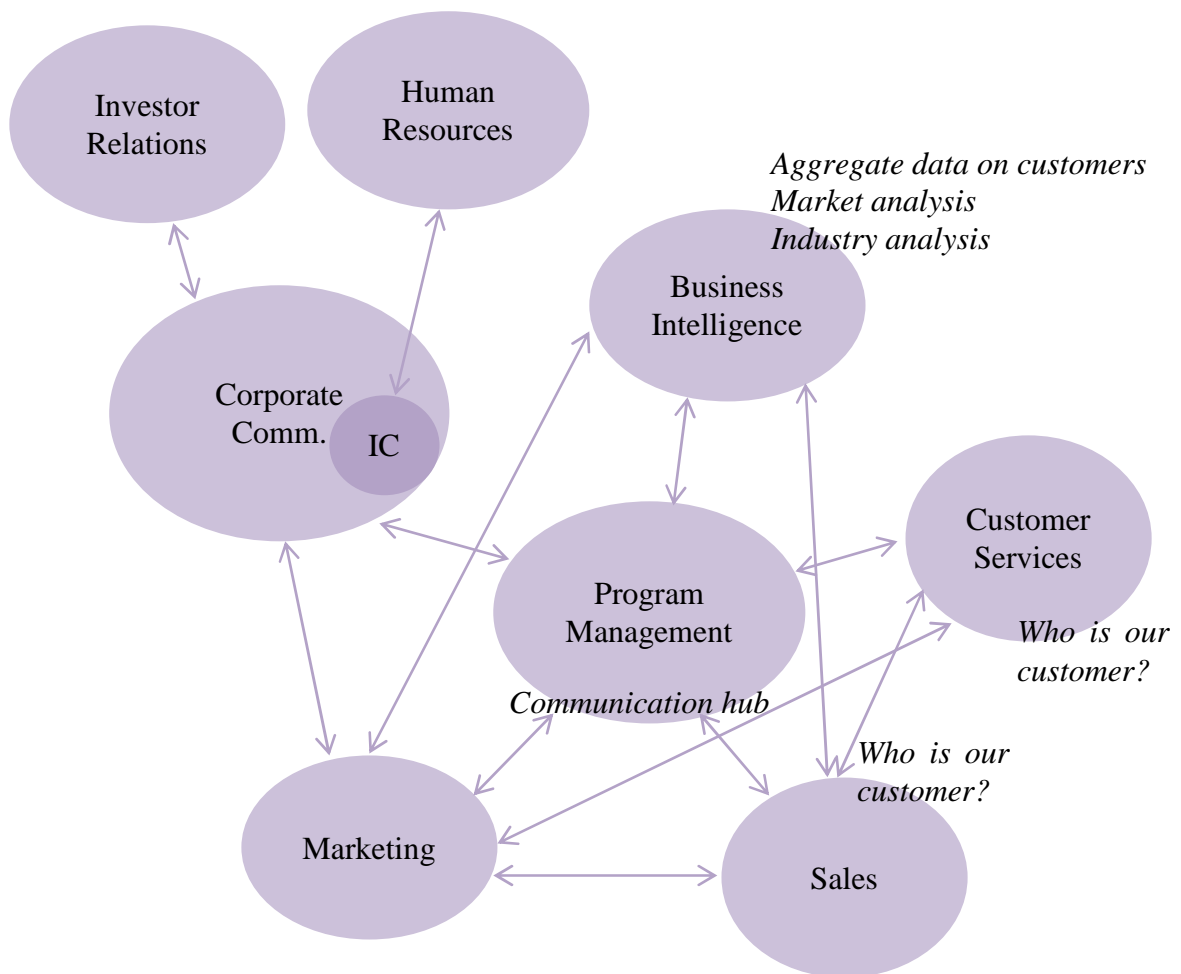


Figure 14: Cross-functional communication. Source: own creation

The analysis proved a need for a closer cooperation within all communication functions as well as the need for a greater level of synchronization (see pg. 42). Properly implemented processes will help meet this requirement.

9.7 Goals and tasks

The last chapter of the project focuses on the content perspective of the Corporate Communications. Divided into four chapters, it provides more detailed insight into four main functions of drafted Corporate Communications: PR, Internal Communication, Social Media and Corporate Social Responsibility. The list, of course, is not complete, but rather comprises recommendations and suggestions for possible solutions.

9.7.1 Public Relations

According to the outcome of the analysis, it is a challenge for marketing and public relations to make the company and its messaging more visible and accessible to media, journalists, bloggers and other publics.

One of the reasons is that in media and communications cluster, the company struggles heavily for attention. Brand is not strong enough to attract immediate attention. Most importantly, external communication is not continuous but occurs in bursts with peaks and downs.

Integration, consistency and coherency of Corporate Communications should be a right solution. Public Relations need to act simultaneously on many different markets. Messaging must be unified but localized. It must be up-to-date, it must quickly respond to actual agenda setting, and it must offer fun and engaging – but relevant – content.

Recently, the company launched its official Media Center, which is a big step forward. However, there are other goals to be fulfilled. The company relies heavily on third-party agencies; it is a necessity to fill certain positions in-house. So far, there are dedicated PR representatives only for North America, United Kingdom, and Czech and Slovak Republic. The company misses dedicated PR representatives for Latin America, EMEA, and Asia Pacific.

Further, due to lack of resources English language predominates in communication with the majority of operated markets. Other languages supported via third-party agencies are French, German and Portuguese. Czech and Slovak languages have a quite different position. In the near future, the company should consider a stronger support of other languages, especially in key prospective markets (e.g. Spanish-speaking countries, China, Israel).

Corporate Communications should also drive closer cooperation with marketing in regards to the unity of visual communication and design. PR, Social Media, and Internal Communication often lack a visual unity of press releases, press kits, gifts, videos, ‘look & feel’ of various website and social accounts, etc. Often, these communication functions even lack clear one-voice messaging. It is therefore difficult for the user, customer, or journalist to easily identify the brand.

9.7.2 Internal Communications

One of the analysis outcomes described in the chapter “Inputs for the Project” says that internal communications face the challenge to regularly update employees so they feel well informed (with an adequate amount of information).

The case was mainly covered by questions 4 and 7 of the research interview. Results show that respondents often rely more on external sources of business information rather than internal, which are considered to be outdated, incomplete and uneasy to find. More importantly, respondents often question volume and timeliness of internal communication – while major things might be well covered, constant updates and market intelligence are missing. Media, investors and other publics possess certain information sooner than employees, who are informed with a significant delay.

If the internal communication team becomes a part of the Corporate Communications, then it may have a chance to address this issue. As an integral part of a wider team, it can better source available information. Additionally, closer relationships can be built and maintained.

Then, internal communications would be able to offer one of generally very well working tools: sourcing of company’s media coverage in key influential media worldwide. According to Holá, an intranet quickly becomes a major communication tool in organizations. Users can share, distribute and store all information relevant to the operation of the company. Such information can include company history, organizational chart, recent updates, etc. but certain attention should be also paid to press releases and media articles and reactions. [7, pg. 205, 209]

An internal website, where employees can find the latest media articles about the company should serve these purposes:

- To provide employees with the additional source of information so that they are aware what media is writing about the company. Especially employees from sales departments strongly call for this service.
- To raise employees’ awareness about the company as a thought leader. Company’s coverage in media is quite extensive; media often quote company’s expert findings and recommendations. By bringing this positive message to employees, internal communication can help build their engagement, pride and loyalty to the company.

- To help engage employees from remote offices. One of specific tasks of internal communication in this company is to make connections with employees distant from the headquarters. According to respondent's answers in the research interview, such a tool can be very helpful in this respect.

The proposal of the website:

The company's intranet is running on Microsoft Office SharePoint solution. The network is not accessible to the external environment; it is protected and separated from commonly available Internet-enabled applications. The intranet is accessible only to employees and other authorized persons. Websites are also secured against unauthorized access. Figure 15 illustrates 'look & feel' of the entire portal.

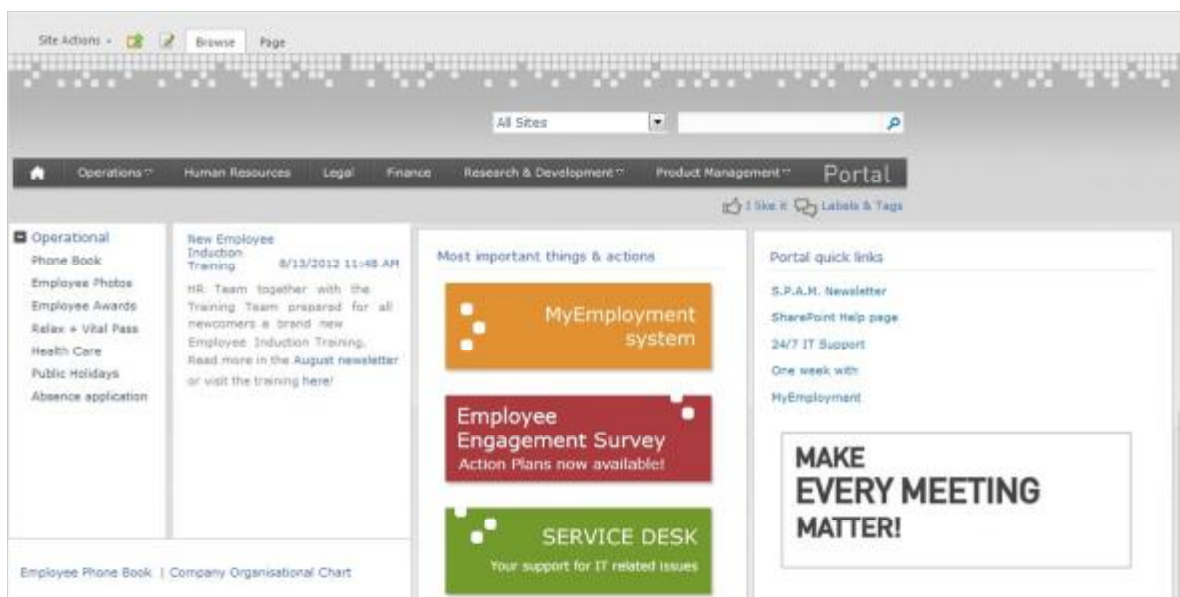


Figure 15: Company intranet. Source: own creation

Each internal website has to follow options and limits of the SharePoint solution. This solution functions in various templates and allows modification only to a certain extent (for instance layout of the website mostly in columns, default portal zones without editing, etc.). Figure 16 on the next page portrays one of the best possible layouts of the media coverage website.

Each field is labeled with a letter; its function is described in the legend under the figure.

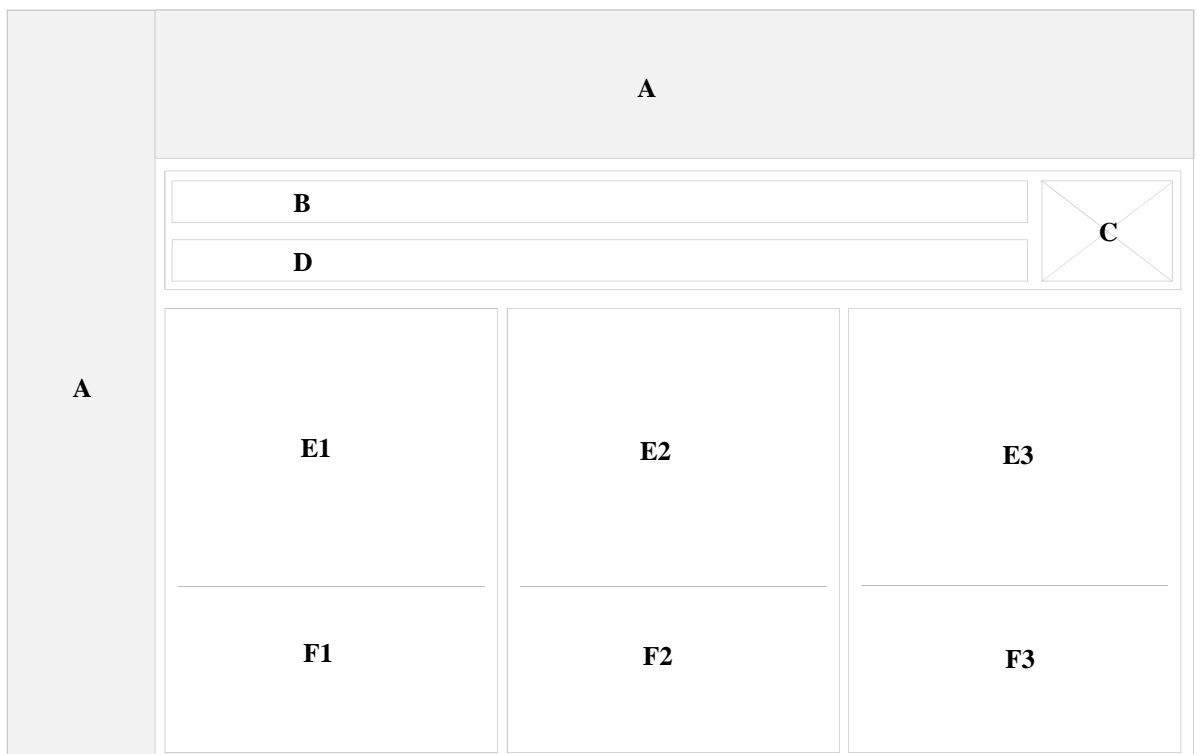


Figure 16: Website layout. Source: own creation

Legend:

- A** Default portal zones, no edits
- B** Headline
- C** Title picture
- D** Hyperlinks to other websites and social networks
- E** Coverage, news and articles. Territories: Czech and Slovak media (E1); English-speaking media (E2); ROW (E3)
- F** Press releases. Territories: Czech Republic and Slovak Republic (F1); English-speaking countries (F2); ROW (F3)

The successful existence of the website depends on good cooperation with the PR team. At the moment, PR cooperates with a number of PR agencies covering various markets; key markets also have a dedicated in-house representative. Internal communication must ensure that it will be regularly supplied with a media monitoring from these markets to be able to share the company top stories with the internal audience.

9.7.3 Social Media

As of today, the Social Media team takes care of many social accounts of the company:

- Facebook: Official Facebook Page, localized page for the Czech Republic, organizational community page, and company social app
- Twitter: Official Twitter news account, Official Twitter account for Free product
- YouTube: Official YouTube Channel, Business YouTube Channel, and localized channels for Brazil and Australia/New Zealand
- Vimeo: Vimeo PRO Account
- LinkedIn: Company Profile, SMB Community Group, Alumni Network, networking group for current and former employees, and discussion group
- Wikipedia: company profile in 11 languages, product profile in 30 languages (however, it can be assumed that the majority of profiles is written by the users rather than by the company)
- Official company blogs

The team constantly runs various targeted campaigns using these accounts, publishes videos, and communicates with fans, followers, users, consumers and customers. Additionally, Customer Services department now offers technical support on Facebook.

The team is agile, proactive and creative. By becoming a part of the Corporate Communications, it can enrich other communication functions with the high-quality content aiding healthy connections and networking.

In return, it can be empowered with stronger voice and additional resources. At the moment, the team does not possess enough resources for further growth and new activities (e.g. podcasting, going viral, and most notably, further language localization on Facebook). Jointed cooperation especially with PR is necessary with respect to the increasing Internet penetration and influence of the Internet on PR generally. To have a good picture, it is worth reading *The New Rules of Marketing and PR* by the guru David Meerman Scott.

On the other hand, the thesis research showed that the company is not yet ready for internal use of social media. This issue was covered by question 6 of the research

interview. Although, it might be a rewarding tool to use, there was identified no need for it. Both Social Media and Internal Communications teams are quite small, and therefore need to carefully prioritize tasks and projects assigned to them, and focus their resources on these with the highest priority and/or biggest impact.

9.7.4 Corporate Social Responsibility

CSR department will be a last addition to the newly established Corporate Communications. The ultimate goal for the company should be to embrace responsibility for its actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders etc.

As of today, the company does engage in charitable activities; but they are quite random, fragmented, and without a wider strategic context. Furthermore, the company also engages in marketing and events sponsorship; though this function is only marketing-oriented.

Due to specific situation in the company, charitable activities on corporate level are currently organized by Internal Communications. These activities are greatly focused on employees to motivate them to become involved. In general, a focus on employees' involvement is an excellent approach but from a long-term perspective, Internal Communications should not bear the responsibility for CSR.

Nevertheless, initial conditions for corporate social responsibility are very good in the company, and it is possible to build on the existing achievements. The company needs to define clear goals for CSR – what is the purpose, what should be achieved, values to be emphasized, and so on. All CSR activities should be based on one unifying concept – a “big idea”, so to speak. Of course, unity does not mean uniformity. A good concept offers enough room for localization and adjustment.

For the beginning, the company can start with one or two global programs, and according to feedback and future needs and plans, these programs can be developed, adjusted, or transformed.

Proposal for initial CSR programs:

Employee Volunteering Program

Volunteering is a quite popular activity among companies in these days. The idea concerns both, the company and the employee. For a certain period of time (ranging from half a day to several days), a company releases an employee from a daily work and allows him to spend this time helping in various NGOs, e.g. homes for elderly, schools, asylums, etc. Often, the activity takes a form of working teambuilding, when whole teams rather than individuals are involved.

All stakeholders benefit from the activity: the company, the NGO, and the employee. The company retains and motivates employees (loyal employees, who are proud of their company, strengthening the team spirit), and gains positive PR and corporate reputation. Good relations with local communities can be established. The employee spends time outside the office but it is still remunerated as a working day, and therefore not deducted from the employee's salary. Finally, the NGO obtains non-financial help which can still be accompanied with a financial donation (which is a usual practice).

Corporate Foundation

Through the corporate foundation, the company can efficiently allocate limited financial resources to support certain NGOs, philanthropic initiatives, ecological programs, etc. The corporate foundation and the volunteering program can complement one another.

From a legal perspective, corporate foundations are generally quite independent from the parent company.

Transparency and fairness must always be key elements. Clearly defined rules must apply to all applicants for any type of support.

Advantages for the company are fairly compelling: the company can again strengthen its reputation, image and relationships with local communities and other publics. On top of that, it can benefit from various tax incentives according to the local legislations.

CONCLUSION

The thesis “*The importance of PR in integrated marketing communications and its impact on the effectiveness of other marketing communication tools*” focused on the field of public relations, integration of communication functions and particularly on the phenomenon of corporate communications.

The aim was to thoroughly analyse a current situation in a selected organization and to propose a feasible solution with additional recommendations. The study took place in the environment of a fast-growing international company. The rapid growth of the company brings many changes that employees and the entire organizational structure have to cope with. It was therefore an extremely interesting exercise for the author of this thesis.

The hypothesis stated that a coherency between external and internal communication of organizations is not adequately effective in the majority of organizations. The research results showed that this hypothesis was true. Although, a certain coherency between external and internal communication of organizations indeed exists, its effectiveness and sufficiency are questionable. Somehow, the external and internal communication is often disconnected. This situation then impacts all communication functions of a company.

Based on these results, the draft of the Corporate Communications was developed. The analysis identified a need for integration; Corporate Communications provide the ultimate level of integration, where all communication functions are managed within a single organizational unit. Hence, the biggest attention was paid to the process perspective of the project, the second part then engaged more in content.

It is important to point out that the proposed plan concerns a large change in the organizational structure of the company, and requires considerable investments and resources. Therefore, the acceptance by the executive management will be crucial for a successful implementation. Additionally, it can be expected that it will definitely be a long-term challenge. Different aspects and impacts should be considered carefully. It can be recommended to conduct the implementation in several phases.

The list of recommendations regarding the content perspective is not complete, but rather comprises few suggestions for possible solutions. The suggestions and recommendations are based on the analysis results which are concretized in the chapter “Inputs for the Project.”

It can be concluded that in the rapidly changing and highly competitive environment, the well developed cross-functional cooperation with the great level of synchronization and integration is a key strategic advantage for companies.

The thesis was developed with a great effort, in particular its project part. I believe that the thesis offers a valuable view on the importance of public relations and integrated communications. All communication functions impact one another and therefore must be carefully planned and coordinated. I hope that the analysis and the project prove this finding to be indeed true.

The author

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LIST OF ABBREVIATIONS

App	Application
CD	Compact Disc
CEO	Chief Executive Officer
CMO	Chief Marketing Officer
Comm.	Communication
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
č.	číslo
ČR	Česká Republika
ed.	edition
EMEA	Europe, Middle East and Africa
etc.	etcetera
HR	Human Resources
i.e.	id est (that is)
IC	Internal Communications
IMC	Integrated Marketing Communications
IPO	Initial Public Offering
IS	Information System
ISBN	International Standard Book Number
IT	Information Technology
Ltd.	Limited
MK	Marketingové komunikace
Mngmt	Management
NGO	Non-governmental organizations
pg., pgs.	page, pages
PR	Public Relations
ROW	Rest of the world
s.	strana
s.l.	sine loco
s.r.o.	společnost ručením omezeným
SMB	Small and medium-sized Business

SMS	Short Message Service
STAG	Studijní agenda
SVP	Senior Vice President
tzn.	to znamená
UK	United Kingdom
USA	United States of America
VPN	Virtual Private Network
vyd.	vydání
WMV	Windows Media Video

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APPENDICES

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P II: English translation of answers in Czech language transcribed in chapter 6.4

APPENDIX P II: ENGLISH TRANSLATION OF ANSWERS IN CZECH LANGUAGE TRANSCRIBED IN CHAPTER 6.4

Question 1, R8: *I know especially a local opinion, from the Czech Republic, where our image is not very much positive, for quite a longer time period. They say about our product that it is slow. (...) But I heard that this is some negative campaign by our competition. (...) Globally, it is different. When I read some discussions, our brand and our product are praised. Abroad, we are recommended as a good-quality free anti-virus.*

Question 2, R6: *I think this is one of those companies (...), where you will find a considerable gap between how that company is perceived internally and externally. (...) Due to the fact that this company grew enormously and changes happened fast (...) in 2007 there were about 130 employees and today we have 900 employees! (...) But processes did not follow. The company looks – from the outside world – like an international corporation, but inside it behaves as a local company. And this, I think, creates a tension.*

Question 4, R16: *More internally. In the department, from the manager or from other colleagues. To have an idea about those news and information.*

Question 5, R11: *I prefer when information is sent to me via an email because I can read it anytime and it is clearly set. On the other hand, email communication does not allow for additional questions. (...) For example, I am not interested in S.P.A.M. newsletter – although it is generally an excellent communication medium, I do not have time to read it.*

Question 6, R6: *I guess I am a wrong person for this question because I am extremely against social media. But it probably depends on its format. (...) If it will be in a format, where one can expect that it will turn into a chat, then I would not recommend it at all. (...) It will always get abused (...) and it does not fulfil the goal that it should have.*

Question 7, R9: *There is a zero shift between what is outside and inside for an average employee. Maybe, I am a way too critical here but to me it is absolutely minimal. (...) To me it is PR for PR: people can learn about what they write about us, what is our coverage, what has been done.*