

An Analysis of the Marketing Communications Mix of the Czech Company Elektro Euro Plus in order to Increase Competitiveness

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ABSTRAKT

Tato bakalářská práce se zabývá analýzou marketingového komunikačního mixu ve společnosti ELEKTRO EURO PLUS s. r. o. Obsah této práce je rozdělen na teoretickou a analytickou část. V teoretické části je zde obecný pohled na tyto složky: konkurenceschopnost, marketingový mix, komunikační mix. V analytické části jsou tyto složky aplikovány na vybranou firmu. Na základě zjištění současného stavu firmy a dotazníkového výzkumu jsou na závěr práce navržena patřičná doporučení. Cílem této práce je nalézt taková doporučení, která povedou ke zvýšení konkurenceschopnosti za účelem získání více zákazníků.

Klíčová slova: marketing, marketingový mix, marketingová komunikace, komunikační mix, konkurenceschopnost, business-to-customers, Elektro Euro Plus s.r.o.

ABSTRACT

This bachelor thesis is focused on an analysis of the marketing communications mix in the selected company Elektro Euro Plus. The content of this thesis is divided into two parts - the theoretical part and the analytical part. In the theoretical part, there is a general view of the following items: competitiveness, marketing mix, communications mix. In the analytical part, the items are displayed in the selected company. Based on the findings of a current situation in the firm and also the survey research, there are suggested some appropriate recommendations. The aim of this thesis is to come up with the recommendations which will lead to increase competitiveness in order to gain more customers.

Keywords: Marketing, Marketing Mix, Marketing Communication, Communications Mix, Competitiveness, Business-to-customers, Elektro Euro Plus

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Declaration

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

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INTRODUCTION

Loyal customers remain, potential customers may come. This statement might depend on the competitiveness and especially on the marketing communication of each company. Competitiveness is perhaps connected to and probably based on the marketing communication mix and its tools. Consequently, the stronger marketing communications mix a company creates, the more customers might purchase its product. A company will probably be competitive if it implements a qualitative, divergent, and especially stable marketing communication mix. This bachelor thesis focuses on tools and factors that the selected company may use to increase the competitiveness and to gain more potential customers. The selected company might also spread its portfolio and probably get to the mind of new customers.

The theoretical part of this bachelor thesis provides tools and factors that can be generally used in each company when it comes to speaking about the marketing communications mix. At the beginning, the bachelor thesis describes the tool “competitiveness”, then the B2C communication, the marketing mix followed by the communications mix. In addition, the last chapter of this thesis concentrates on three marketing strategies that are used when a company does want to measure itself with other companies.

The analytical part of this bachelor thesis deals with the Czech selected company of Elektro Euro Plus. Elektro Euro Plus has been in the market for twenty years and its field of business is sale of goods. The company, which belongs to the electrical engineering industry, provides its services through the two platforms – selling in the store and selling via an e-shop. At the beginning of the analytic part, there is an introduction of the selected company, then the marketing mix followed by the communications mix. Moreover, the marketing strategies show a comparison with other organization. The chosen strategies, including PESTLE Analysis, Benchmarking, and SWOT Analysis, reveal some shortages in the marketing communications mix of Elektro Euro Plus. The survey research also uncovers some flaws of the company. Based on the shortages, there are suggested some recommendations for the improvement of the current situation in Elektro Euro Plus.

I. THEORY

1 MARKETING

The first chapter discusses a basic meaning of the term “marketing”. The subchapters below talk about marketing as science, some of the definitions of marketing, the concepts of marketing, and what the word “competitiveness” expresses. At the end, there are introduced two types of marketing (difference between Business-to-Customers and Business-to-Business).

1.1 Marketing as the science

Marketing may actually occur all around us. The term “marketing” can include everything what a company does. Customers and companies probably create marketing but marketing does not include only those two items. Most of the people perhaps suppose that marketing is just about selling and advertising. And even though, both of the factors belong to the activity called marketing. However, marketing itself probably means more. Its meaning may cover much more. To deliver a message, to attract customers, to connect people, to share values, to make a profit, etc. Marketing might occur in everyday life, probably in an every single day (TV, Internet, magazines, catalogs, sales people, etc.). To satisfy customer’s needs is the new sense of the present science called marketing. (Kotler, 2016)

1.2 Definition of Marketing

Not one definition, not just two definitions, but many definitions might exist. There may be plenty of definitions of the term marketing all over the world. Firstly, marketing is defined as the process of creating customer value in order to gain their value in return, to build strong relationship with customers, and companies should mainly engage their customers. (Armstrong, 2015) Secondly, marketing is presented as the process or the activity of delivering, creating, communicating and exchanging offerings which they have enough values for your customers, partners, and clients. (Lamb, 2013) Philip Kotler, the founder of marketing, defines marketing as a duty to find out wants and needs of customers and then to make your customers happy while a company makes profit. Nevertheless, all definitions have two elements in common. Customer needs and company profitability. (Karlíček, 2013)

1.3 The Concepts of Marketing

Companies can choose one of five concepts. Each company may choose one particular concept, and after that a company must follow the concept all its cycle of life. The list of the five concepts offers: The Production Concept, The Product Concept, The Selling Concept, The Marketing Concept and The Societal Marketing Concept. (Armstrong, 2015)

1.3.1 The Production Concept

Historically, it is the first existing concept, the oldest one. (Karlíček, 2013) The focus of a company is in improving production and distribution efficiency. Products which are probably available and reasonably priced, may attract consumers the most. Good examples of the concept could find at the Chinese market through low labor costs, or the well-known brand in technology like Lenovo, which produces notebooks, laptops, mobile phones, etc. The production concept can appear profitable. Although, there can be a big danger - Marketing Myopia. Marketing Myopia means focusing on production too narrowly and losing the view of the actual objectives. (Armstrong, 2015)

1.3.2 The Product Concept

Product should be probably the priority. The concept tells that customers might prefer highly reputable products. Focus of a company is perhaps on a product. Good example can found in the fashion industry. Since the companies are expected to make clothes depending on the new trends and seasons, their production may be highly profitable. The Product Concept, as well as the previous concept, are afraid of Marketing Myopia. In this case, a company deeply concentrates on product and therefore it might gradually lose its customers. From time to time, products may become outdated. (Karlíček, 2013)

1.3.3 The Selling Concept

Promotion is perhaps at the top. Successes of firms depend on how they propagate their products. Good examples of the concept are insurance services or offering some detergents. Companies try to sell what they have produced so far, instead of producing what the market requires. It can work for a short period of time, whereas in the long term it may not work so well. Consequently, in the longer term, a customer's demand is probably losing the value in the view of a company. Companies do not perhaps have an interest in customer's wants and needs. (Karlíček, 2013)

1.3.4 The Marketing Concept

This concept probably focuses on beating the competition. To be better than the competition. The Marketing Concept may focus on customer's needs, and to gratify those needs earlier than the competition. Regarding the beating of the competition, and also to create customer's value, play the main role. To make products that will be worth it and customers might appreciate them. The main goal is probably to create a long-term relationship with customers. (Karlíček, 2013)

1.3.5 The Societal Marketing Concept

A customer and also the society are perhaps the priority. The last concept states that company should deliver a value to customers that might maintain both, the customer's well-being and even society's well-being. It perhaps means that marketing is responsible for the society and the environment. The concept might meet current needs of customers and business. (Armstrong, 2015)

1.4 Competitiveness

Competitiveness is perhaps an ability to prosper at a certain level. Competitiveness may mean a capability to make a profit in a particular area or a sector. There is perhaps the confrontation or a measurement with other institutions. It can be an ability of an economy to attract organizations with stable or rising market share. Competitiveness may influence some different factors, such as a company's capacity, the productivity of the workforce, innovation, human capital, social infrastructure, and accessibility to markets. Competitiveness is might be measured by knowledge, creativity, and environmental conditions. (Huggins, 2016)

Competitiveness among companies might concentrate and rely on:

- a) an efficiency (to be productive)
- b) a choice (to be competitive) – it is essential to choose those factors which they are valuable
- c) resources – choices are probably based on the government, technology, infrastructure, and education. (Nallari, 2013)

1.5 B2C vs. B2B

1.5.1 B2C = Business-to-Customers

From a company to customers. It is a type of marketing which represents the situation between a company and a target consumer. The source is a company (seller) and the target is a final consumer (buyer). (Kotler, 2007)

Consumer research is probably connected with B2C. It is perhaps done in the beginning. Consumer research is the type of marketing research, where are observed consumer attitudes, characteristics, opinions, beliefs, and behavior. (Feinberg, 2014)

B2C is perhaps associated to the internet. In most cases, B2C probably deals with e-commerce – a potential consumer buys product on the internet. Buying on the internet may get stronger and stronger. These days, the most popular selling countries are probably the USA, the Great Britain, and China. Currently, the most popular areas of purchasing of goods are probably: electronics, books, music and video, clothing, tourism, sport equipment and the other. Through e-commerce, companies can offer products in a large scale. The Internet searching, like Google, enables consumers to find whichever websites they want. (Kotler, 2007)

1.5.2 B2B = Business-to-Business

From a company to a company. It is a type of marketing that represents the situation between a company and another company. One company sells products to another company. (Kotler, 2007)

Industrial research is probably connected with B2C. It is probably done in the initial phase. Industrial research is a type of marketing research, where some interactions between companies and their representatives are observed. (Feinberg, 2014)

B2B system may also prefer buying through the Internet – e-commerce. The most significant industries perhaps include: automotive, air transport, oil industry, food and pharmaceuticals. Most B2B e-commerce might use open trading networks. (Kotler, 2007)

1.5.3 C2C = Customers-to-Customers

It is a transaction of goods between consumers. (Kotler, 2007)

1.5.4 C2B = Customers-to-Business

It is an e-commerce where customers are sellers and companies are buyers. (Kotler, 2007)

2 MARKETING MIX

The marketing mix is probably created by four Ps. In 1950s, the marketing mix was introduced in the United States. It is probably the tactic of meeting the business goals while to make customers happy. It consists of 4 parts and all the parts might cooperate with each other. The four parts are: product, price, place and promotion. (Hill, 2012)

Product perhaps means what a company offers, price probably presents price of products that a company offers, place may mean where a product occurs, and promotion might offer the way how consumers find out about products. (Bačuvčík, 2016)

Marketing mix of services also exists. When it comes to services, the marketing mix probably includes the two additional Ps: people (personnel) and the physical environment (atmosphere in a store). (Hill, 2012) Furthermore, there are also 4Cs. 4Ps do express a view of a company or a producer, while 4Cs do include the alternative concept in the perspective of a customer. 4Cs consist of customer value, customer cost, convenience and communication. (Bačuvčík, 2016)

2.1 Product

Product is perhaps an idea. Broad definition may say that product is an idea or a thought that should be accepted by a target consumer. (Bačuvčík, 2016) Narrow definition divides products into goods and services. With regard to goods, it is a tangible and a physical thing (e.g. food, clothes, shoes, notebooks, smart phones, etc.), while a service is an intangible thing (e.g. insurance, barber shop, web designing, consulting, etc.) When a company produces anything, it is probably essential to pose some questions:

- Why is the product important?
- What is product's width and depth?
- What values do company's products offer to customers?
- How is product different from the competition? (Bačuvčík, 2016)

The most important things may be brand, name and package (product design).

Firstly, brand or branding probably means how a company's product is distinguished from the competitors - it is called product identification. (Lamb, 2013) Each existing company creates a certain brand. In the moment, when a brand becomes well-known, it can be said that a company has probably a strong brand. (Kotler M., 2013) In any marketing communication, brand attitude and brand awareness may be the most important objectives. (Percy, 2014) In addition, when it comes to changing of a brand it is called rebranding –

changing of color or name. Next, co-branding explains that two or more brands are placed on one product. (Lamb, 2013)

Secondly, name of a product should be catchy. Every company should catch customer's attention right from the start. Name of every product may be easy to remember – immediately, simply, accurately. (Lamb, 2013)

Thirdly, package (or product design) should incorporate visible features such as color, content, even price tag. Package is supposed to be memorable and to be visible. The main function of packaging is probably to protect products or goods as they are moving through the distribution channels. Label may create a substantial part of any package. Universal Product Code (UPC) appears on all items in supermarkets and it represents the numerical code. (Lamb, 2013)

“Brand of company is the same as reputation for each human. If you try to solve difficult questions you will work up a strong brand.”

Jeff Bezos, Amazon (Kotler M., 2013)

Product width is not equal to product depth. Product's width probably means how many products a company offers in its portfolio. Company is perhaps getting wider when it diversifies its risk into more items. While product's depth may express an amount of products in the product line. Company is probably getting deeper when it attracts its potential customers with different preferences. It may also increase sales and profits by segmenting the market. (Lamb, 2013)

2.2 Price

Price is perhaps the easiest (of all 4Ps) to change, but the most important one. Price probably means a financial sum that a customers pay to a company. As it was mentioned before, price is probably the easiest to change of all items in the marketing mix, but on the other hand, it may be the most important factor in the mix. One of the major items which might influence company's profit. When a company is about to set the price, it may ask some questions:

- How much did it cost to produce it?
- What will happen if you increase the price?
- Could a company afford to offer lower price? How much it will be? (Bačuvčík, 2016)

Price setting according to a chosen strategy. Therefore, the most important feature may be pricing strategy. All companies have perhaps an opportunity to choose one of several strategies. For example:

Penetration – a company set a low price, product entering the market, low cost should not courage the competition

Skimming – price is higher and a company takes advantage of that until competition appears, then the company starts decreasing

Price-Quality – price is based on some unique benefits

Ending in “9” – it means there is a discount, less quality products

Neutral – the strategy is based on competition

Pricing strategy and price determination may cooperate together. Price determination is divided into Cost-Based, Competitive-Based and Market-Based. All the three ones might create price determination (Hill, 2012)

2.3 Place

Distribution, logistics, and place in the store. All those mentioned terms may make up the third item in the marketing mix called place. Place probably expresses how or in which way company's product will be delivered to its customers. (Bačuvčík, 2016) Distribution channels or supply channels are perhaps structures used by business organizations to deliver a product from its production to a potential consumer. Furthermore, a company is probably supposed to control the movement of goods through the supply chain. In the marketing mix, the term “place” also can mean where a product is placed on a shelf in the store. Location and presentation also might play the important role. Location of a company includes accessibility to visit the store, opening hours and enough parking space for customers. Presentation may include the atmosphere in the store, layout (structure of the store), noise, smell, personnel and customer service.

Regarding distribution, each company should ask itself following questions:

- Who are company's suppliers?
- How is distribution strategy different from the competitors?
- Does a company also need to sell through e-shop?
- How often does a company dispatch a day?
- Which type of store a company is? (Lamb, 2013)

Three basic distribution strategies do include:

- a) Intensive distribution
 - The aim: to make company's goods accessible as soon as possible
 - Distribution expands to many places (restaurants, pubs, cafés, bars)
 - Goods: wine, beer, coffee, chocolate
- b) Selective distribution
 - The aim: to focus on places which fit you the best
 - Better relationship with distribution partners, better control
 - Less retailers offer your products in a particular area
 - Goods: watch, necklace, cars
- c) Exclusive distribution
 - The aim: to focus on one retailer in an area (Lamb, 2013)

2.4 Promotion

Promotion is perhaps not only about advertising. The last item in the marketing mix is promotion and advertising. Promotion may help a company to create relationship with the customers. Four important verbs are perhaps included in the major goals of promotion:

To inform – customers have to know about products

To persuade – it means to support purchase and its operation

To remind – customers should never forget the name and the brand of company's product

To connect – it means to keep relationship with company's regular customers and to create a relationship with new potential customers. (Lamb, 2013)

Promotion is almost a synonym for marketing communication. Promotion might confirm an activity to promote whereas marketing communication is nearly a dialogue between a promoter and a target customer. The following chapter of the thesis describes marketing communication in more details. (Bačuvčík, 2016)

3 MARKETING COMMUNICATION

Marketing communication is perhaps a process which can help an organization to support its various audience. Communication may inform, may persuade and may establish images of a company. Communication might support the developing of a company and it may also engage competitive advantage. It can be mutual benefit for the both, for a company and for a customer. Marketing communication is probably the same term as the marketing communications mix. (Fill, 2009)

3.1 Marketing Communications Mix

The basic marketing communications mix is probably created by five principal tools. The success of marketing communications mix may depend on three elements and their combination. Tools, media, and messages need to be mixed. As it was stated at the beginning of the subchapter, there are five principal tools: advertising, public relations, sales promotion, direct marketing, and personal selling. In addition to these methods of communication, there are also the media and other marketing communications means. This subchapter also deals with one additional mean: word-of-mouth. (Fill, 2011)

3.1.1 Advertising

Advertising may mean a non-personal form of mass communication. It is perhaps responsible for design and delivering a message. It may persuade the target audience to buy a product. (Fill, 2011) Advertising is available through some media channels. The most frequent media channels may include: internet, television, radio, outdoor, magazines, and newspapers. (Clow, 2016) Advertising may support target customers by creating awareness, changing attitudes, building value, and influencing customer's behavior. Advertising might help a company to build the strong image of product and it may also stimulate its sales. (Fill, 2011) Most of the ads might affect customer beliefs and attitudes and these ads may reinforce sales of a company. (East, 2013)

Advertising campaign is an essential part of advertising. Campaign may mean duration of advertising that should be identified for a specific period of a time. Typical campaigns may last about six months but it probably depends on a company itself and its goals. If a company realizes that it is time to change, the campaign is probably updated. (Clow, 2016)

Shock advertising is probably a key factor. It means an unexpected and not surprising message for customers. Shock advertising may engage sales more. Some examples are:

commercial organizations (e. g. Diesel), the government (e. g. anti-smoking), or climate change (e. g. Greenpeace). (Fill, 2011)

Social media are probably on the rise. Due to the revolution of social media today, organizations might have more space to be seen in the world. Regarding the social media, companies may not spend as much money on advertising (spending less money than promoting via television or radio). Some foremost social media may be: Facebook, Instagram, LinkedIn, Twitter, Pinterest, and Foursquare. (Kerpen, 2015)

3.1.2 Public Relations

Public Relations are probably non-personal forms of communication. It may offer not only communication with customers, but also with stakeholders. It might mean enhancing the reputation of the company and establishing relationship with its various stakeholders. Some tools of public relations may include public affairs, sponsorship, lobbying, and event management. (Fill, 2009)

The aims of Public Relations:

- ✓ To affect or to persuade
- ✓ To inform
- ✓ To build strong and long-term relationships
- ✓ To make a good name for an organization

(Hejlová, 2015)

The tools of Public Relations:

- Media Relations – the relationship with media (almost the synonym for PR)
e. g. press conference
- Events – events organizing is probably important
e. g. corporate party
- Digital Communication – via the internet
e. g. web administration
- Sponsoring – can result in financial or nonfinancial sum
e. g. sport drinks
- Recommendations – it probably means creating a good image
e. g. celebrities

(Hejlová, 2015)

3.1.3 Sales Promotion

Sales promotion may provide an added value. It is probably a non-personal form of communication but it may present a greater capacity to a smaller amount of customers. Costs are perhaps lower than it was in the example of advertising. (Fill, 2011) This type of communication might seek an immediate response. Therefore, it can be also defined as a temporary incentive that is used to support customers to purchase products and to gain encouragement from channel members. (Ang, 2014)

Sales Promotion is divided into two forms - trade promotions and consumer promotion.

Some types of trade promotion:

- Trade allowance (e. g. exit fees, slotting fees)
- Trade incentives (e. g. free merchandise)
- Display allowance (e. g. banners, posters, in-store digital television)
- Personal incentives (e. g. contests)

Some types of consumer promotion:

- Coupons (e. g. voucher)
- Price-off deals (e. g. the lower the price, the more consumers may purchase)
- Games (e. g. interactive games via the internet)
- VIP programs (e. g. rewarding of some loyal customers)

(Ang, 2014)

3.1.4 Direct Marketing

Direct marketing is perhaps defined as a new and an effective way of building the strong relationship with loyal and potential customers over the long period of time. It might emphasize on direct communication with customers. (Fill, 2011) It is perhaps a non-personal media again (e. g. telephone, television or mail). Direct marketing is probably based on four principles:

- To establish a good customer database
- To make an advantageous offer
- To adjust the profitable offer
- To find out the most profitable offer

(Ang, 2014)

Some methods of delivery in direct marketing are listed below:

- a) Direct mail - it is a mail without an address (“junk mail”)

- b) Telemarketing – is a form of selling which uses telephone calls to make a sale, the main disadvantage is that people are probably less patient and it may irritate them
- c) Radio - is perhaps less commonly used when it comes to talking about direct marketing, people may use radio as an activity in the background when they are doing something more important
- d) Catalogue - it may be a very effective form
- e) Newspapers - it is probably a commonly used method for direct marketing, it may be profitable for a sport company that produces exercise equipment, for instance. (Ang, 2014)

3.1.5 Personal Selling

Personal selling perhaps means a personal contact with customers. It means a face-to-face or a person-to-person communication. It is probably a form of the marketing communications mix where a seller may try to persuade or to attempt customers to purchase a product of his company. The interaction may give seller a particular feedback from watching customer behavior. (Belch, 2015) Costs for this type of communications mix are probably very high. However, a salesperson can deliver an important message. (Fill, 2011) Personal selling may also offer an opportunity to show some benefits of a product that are probably difficult to convey with other communications. (Percy, 2014)

3.1.6 Word-of-mouth

Word-of-mouth is probably about to provide a particular information to another potential consumer. It is called word-of-mouth (WOM). It can be positive (PWOM), or negative (NWOM). (Ang, 2014) PWOM may occur when there are satisfied consumers and NWOM might occur when there are unsatisfied consumers. (East, 2013)

Positive word-of-mouth might be more persuasive than advertising, because there are some direct recommendations of products. The reason why it may be powerful is a personal experience with a product. Most conversations among people are probably done by a face-to-face communication, then by telephone call, and online sharing. It may work well because there is the evidence that 65% of people are likely to purchase product after they gain some recommendation from their relatives and close friends. (Ang, 2014)

This kind of advertising may have been considered the purest, but on the other hand, the one of best form of all tools of the marketing communications mix. Social media may be a good example today, because people are likely to share their experiences, pictures,

memories with their family, friends, partners, etc. People may connect to each other.
(Kerpen, 2015)

4 MARKETING STRATEGY

This chapter focuses on the three different types of strategy. The first strategy, PESTLE analysis, deals with some external factors that they might influence a company from outside, externally. The second one, Benchmarking, measures and compares a company with its competition. The third one, SWOT analysis, is probably the most familiar strategy for marketers or someone who prepares a business plan. At the end of this chapter, there is an important tool called STP.

4.1 PESTLE Analysis

Each letter stands for one different factor. This analysis consists of six different factors that surround a company. P – political, E – economic, S – social, T – technological, L – legal, E – environmental. Regarding to PESTLE Analysis, almost each organization ought to manage the analysis. (Pestleanalysis.com, 2014a)

- ❖ *P – political* - the degree of government intervention influences the economy, among appropriate examples belong tax policies, employment laws, labor laws or environmental regulations and trade restrictions
- ❖ *E – economical* - the economical factors play the main role in how an organization conducts its operations in the future, there are included factors such as exchange rate, inflation rate, unemployment and interest rate
- ❖ *S – social* - it particularly helps a company to choose some potential markets and to find out customers needs in the future. Among social tools belong age distribution, population growth rate, health of population and safety awareness
- ❖ *T – technological* - the priority of this tools is that a company have to go with new trends (technology) and it should follow them. Technological area has a great view for technological changes and factors like automation, innovation or obsolescence rate (Pestleanalysis.com, 2014b)
- ❖ *L – legislative* - it means all legislative and procedural items in a business, even possible standards are included when a company is about to start production or promotion
- ❖ *E – environmental/ecological* - it deals with geographical location and other environmental tools which they may influence the nature of your trade, for instance agri-business (Pestleanalysis.com, 2014c)

4.2 Benchmarking

Benchmarking is perhaps defined by the three following steps. Firstly, benchmarking is the process of identification, recognition, and taking excellent practice from a world company. Secondly, benchmarking is a technique in which a company measures its productivity with its world competition. Thirdly, benchmarking is an analytical and planning tool for a comparison of a company and its biggest competition, in the same industry. The third definition is probably the most frequent one. Benchmark does perhaps mean a measurement which a company should follow in its strategy. A company might state its own benchmarking and it tries to overcome in its cycle of life. (Nenadál, 2011)

Three kinds of benchmarking may exist. Performance benchmarking focuses on a direct comparison of performance (e. g. employees, engines, assembly line). Due to this type of benchmarking, an organization can recognize its relative performance. Functional benchmarking compares one or more function of selected companies (e. g. logistics, watching overall company performance, relationship with customers). Process benchmarking examines a particular process of a company (e. g. invoice, way of communication, range of service). (Nenadál, 2011)

Internal benchmarking and external benchmarking are discussed. Internal benchmarking appears inside a company, for instance between some divisions or faculties. External benchmarking represents activities between a company and another company.

Models of benchmarking exist. One model contains four recommended steps: planning, analysis, integration, realization. Those four steps are subdivided into other ten subcategories. Another model is based on four following questions:

- What will be comparing?
- How a company does so?
- Who is better at this?
- How another company does so? (Nenadál, 2011)

Five phases of benchmarking are displayed. The initial phase, the planning phase, the analytic phase, the integration phase, and the implementation phase. It does not matter if there is a small or a big company, all five phases are probably important when it comes to creating benchmarking. (Nenadál, 2011)

4.3 SWOT Analysis

SWOT analysis or the environmental analysis is discussed. It probably represents one of the most well-known strategies when it comes to identify a current situation of firm's micro-environments and macro-environments. (Jakubíková, 2013) This strategy focuses on key factors that they may influence company's business. (Lesáková, 2014) SWOT Analysis consists of Strengths, Weaknesses (the two create micro-environments) and of Opportunities, Threats (the two create macro-environments). As the first step, it is perhaps highly recommended to find out items in macro-environments (economical factors, socio-cultural factors, political factors, technological factors) and then items in micro-environments (a company, customers, suppliers, competition, the public).

The first two letters mean Strengths and Weaknesses. They are set according to the marketing mix or some other techniques such as brainstorming, questionnaire, or discussion. In most cases, it can be made with the help of the useful scale: from - 10 to + 10, or another example: from 1 to 5.

Strengths - benefits for both, for a company and for customers, and to find out some criteria in which a company performs better than its competition. (Jakubíková, 2013)

Examples: quality of products, qualified personnel, positive image. (Lesáková, 2014)

Weaknesses – criteria in which a company has some lacks or disadvantages, to come up with some criteria in which competition performs better. (Jakubíková, 2013)

Examples: unqualified products, high prices, inflexible organizational structure. (Lesáková, 2014)

The third and the fourth letters mean Opportunities and Threats.

Opportunities – criteria that may increase demand and to make customers happier, while a company makes profit. (Jakubíková, 2013)

Examples: an easy access into the new markets, modern trends in technology, new possibilities in multinational markets. (Lesáková, 2014)

Threats - criteria that might decrease demand and to make customers unhappy. (Jakubíková, 2013)

Examples: strong and stable competition, a free entry of foreign competition into domestic market, some changes in laws. (Lesáková, 2014)

This method can be very useful to identify key competence of a company or as a summary of many analyzes (e. g. analysis of competition). On the other hand, there is the huge disadvantage – it is too subjective. It means each person can differently judge four

tools of SWOT Analysis. One may say a thing is a strength and another one might say the thing is a weakness.

(Jakubíková, 2013)

The aim of SWOT analysis is perhaps clear. The goal is probably to make a schema which describing strengths, weaknesses and potential opportunities and threats. Next, the schema would not contain more than seven or eight items in each of the four sectors. After that, the enterprise would evaluate each sector and then it may gain enough appropriate findings for the future strategic planning. After some recommended steps, the enterprise would try to keep and develop strengths and it would eliminate weaknesses when it comes to micro-environments. On the other hand, in macro-environments, a company would optimize some new opportunities and it would minimize threats from the outside. (Lesáková, 2014)

4.4 STP

STP consists of the three tools. The first one, segmentation, is only the starting point and it perhaps expresses that the market is divided into smaller segments. The second one, targeting, is the process of concentrating on the target segment. The third one, positioning, is perhaps a building of an important position in the mind of customers. (West, 2015)

4.4.1 Segmentation

Segmentation, or it is very often called market segmentation. It may refer to divide the market into the smaller segments. Market segment is perhaps a group of customers who may buy products of a company. (Kotler, 2014)

An importance of segmentation is discussed. Market segmentation is probably essential for the success of a company. It is probably very important for a company to identify its potential customers (the target segment). Then the company might concentrate on needs and wants of the particular group (a segment). Each market segment may include customers with similar wants and requirements. The four basic market segments may include:

- Geographical criteria (global, national, state, region, city, town, climate)
- Demographical criteria (gender, age, education, income, religion, class)
- Psycho-graphical criteria (personality, lifestyle, values)
- Behavioral criteria (usage rate, loyalty level, key benefits) (West, 2015)

4.4.2 Targeting

To focus on the target market, or target group. That is perhaps targeting. Target market may express a set of customers sharing common characteristics and needs of a company. (Kotler, 2014) The best actions and plans are probably served for the target segment. (West, 2015)

4.4.3 Positioning

Positioning is the third item of STP. It is probably the process how customers perceive a company, or how products come to the minds of target customers. (Kotler, 2014) The aim of positioning is perhaps to ensure a clear and a different image in the minds of all customers. The image must be positive and consistent. Positioning might start before the first customer visit the store. (West, 2015)

5 SUMMARY OF THE THEORETICAL PART

The theoretical part provided the essence of the term “marketing”. Regarding the essence, a customer is probably the key factor and the main goal for companies in the market. The aim of most companies is perhaps to make its customers happy while the organization meets its objectives. It can be called the essence of modern marketing.

At the beginning, there were described basic terms of marketing, then the 5 marketing's concepts, the meaning of the word “competitiveness”, and the difference among B2C, B2C, C2C, and C2B. This bachelor thesis especially deals with B2C structure. As it was mentioned before, B2C (Business-to-Customers) focuses on the relationship between a company and a customer. Marketing research probably observes consumer's attitudes, characteristics, opinions, beliefs, and behavior.

In the following part, there was discussed the marketing mix. The marketing mix consists of 4P (product, price, place, promotion) and all those items are probably supposed to cooperate together. They may work in the harmony.

Then there was examined the marketing communications. The marketing communications, or the marketing communications mix, is perhaps the form how a company engages its sales. There were described 6 basic kinds of the communication.

The last part is concentrated on the three basic strategies in marketing, namely PESTLE Analysis, Benchmarking, and SWOT Analysis. The results of those strategies may reveal some shortcomings of each company. Next, there is a comparison with company's competitors. In the end, there was displayed STP (segmentation, targeting, positioning), which is perhaps an essential tool of marketing.

II. ANALYSIS

6 INTRODUCTION OF THE SELECTED COMPANY

Elektro Euro Plus and its introductory. In the first chapter of the analytical part, there is described general information about the chosen company. Firstly, there is displayed the motto that the company bears in its mind. Secondly, it is a look at basic information (a brick-and-mortar store and an e-shop, how many branches the company owns, where its headquarters is, etc.). Thirdly, there is demonstrated the organizational structure of Elektro Euro Plus. The last subchapter is about the mission of the selected company.

6.1 Motto of the company

“Always something extra we offer.”

Elektro Euro Plus (Elektroplus.cz, 2017)

6.2 Basic information

There is a general view of the company itself. As it can be seen in the name of the company, Elektro Euro Plus belongs to the electrical engineering industry. The company was established in 1997. Mr. Drahomír Dvořáček is a founder. The company provides services to customers through a brick-and-mortar store but also via the internet, through the e-shop. The firm operates with just Czech capital without any foreign participation. From the beginning to the present, the official name of the company has been changed. At the beginning, it was called Quelle Jeseník, later Elektocentrum Dvořáček (still exist) and finally Elektro Euro Plus. The organization prefers Czech suppliers, Czech personnel, domestic stock spaces, selling, and administration spaces. All those tools are good reasons that it can be also a Czech company which it has a progressive increase. More about that it will be introduced in the following subchapter.

One headquarter and only one branch exist. The headquarter is located in Jeseník. There are a brick-and-mortar store and the administration e-shop and this place is the main center of the organization. In Šumperk, consumers can find its branch. Couple years ago, the firm owns another branch, in Opava (it is closed now).

6.3 Organizational structure

The two brothers do a business. Mr. Drahomír Dvořáček and his brother, Mr. Daniel Dvořáček are the owners of the company and they are simultaneously CEOs here. Mr. Drahomír is mainly responsible for administration and personnel matters, whereas Daniel supervises products and its prices. Their share office is set in a headquarters, in Jeseník.

In Jeseník, there is the headquarters that consists of 2 CEOs and 4 employees. Two of the employees manage all operation connected to the e-shop. They provide all internet services such as ordering of goods, sending of goods, answering the questions through e-mails and phone calls. Moreover, Mr. Martin Patkáň is the store manager here, and the leader of both, the brick-and-mortar store in Jeseník and the e-shop. The other two employees work on the brick-and-mortar store. Their job description includes: selling of goods to the final customer, looking after every customer equally, providing some knowledge about products, handling product complaints, providing guarantee to customers.

A large warehouse is a part of Jeseník store. Close the store, there is located the warehouse including one employer. He especially packages goods for dispatch, and he regularly ensures refilling of goods on the store.

The headquarters in Jeseník:

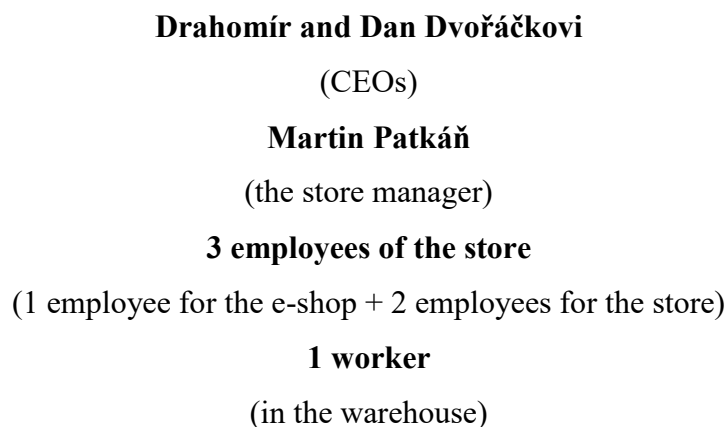


Figure 1. Organizational structure.

Source: the interview with the store manager

A branch in Šumperk: 2 employees

6.4 Mission of the company

Mission of the company consists of profit for company and of convenience for customers. Nowadays, in 2017, it is too difficult so that each customer leaves the company with best satisfactory. Most customers are looking for the best price of products and full services. Sometimes, customers would have products immediately and for free. Mission or vision says this: the beneficial company which keeps long-term relationships with a large amount of satisfied customers. That is the mission (vision). Mission is completed when there is the pleasant personnel which acts professionally to all customers.

7 AN ANALYSIS OF THE MARKETING MIX IN ELEKTRO EURO PLUS

Product, price, place and promotion are applied in the selected company. The first subhead opens with the analysis of the marketing mix in Elektro Euro Plus. In the theoretical part, the marketing mix was generally introduced and in the analytical part, there is a practical focus on the chosen company.

7.1 Product

7.1.1 A Wide range of Products

A wide range of products – that is Elektro Euro Plus. The company tries to ensure a wide range of products at the brick-and-mortar store and in the e-shop equally. Obviously, via the internet, there is much more space to show products to final customers. A distance is probably one click. The e-shop covers more potential customers. If there is anything missing at the brick-and-mortar store, a customer will make an order with a shop assistant. It usually takes 1 – 2 day to be delivered in the store. In the following schema, there is a view of firm's menu. As it can be seen, there are electronic products but on the other hand, Elektro Euro Plus offers some products that they are not connected to electrical and electronic.

There is a main schema of the company's menu:

Large White Appliances – a fridge, a freezer, a washing machine, a dishwasher, a kitchen range, a microwave, a dryer, a cooker hood

Small White Appliances – kitchen appliances, a shaver, a vacuum cleaner, an espresso, an iron, a hot air pot

Built-in Appliances – an oven, a cooker hood, a hob, a dishwasher, a fridge, a microwave

TV, Audio, Foto – LED television, Ultra HD television, plasma television, audio-video, a camera, a projector

IT, Office Products, Mobile phones – a computer, a laptop, a monitor, GPS navigation, a hard disc, accessories

House, Garden, Workroom – a car radio, a sawmill, a drill, tools, a motor oil, a garden mower, a brush cutter

(Elektroplus.cz, 2017)

There were introduced tangible products. Elektro Euro Plus does offer some intangible services such as handling complaints. During the process of complaint, all services should be in order as soon as possible. As it is stated in the code of law, maximum period for handling a complaint is 30 days. The company does make an effort to handle it in a shorter period of time. It usually depends on a problem or a defect of a product.

7.1.2 A name, a brand, a package

The name of the company is truly easy to remember. One may know the organization under the name Elektrocentrum Dvořáček. The surname of the founder and the owner is displayed in the name of the company. It is rationally done. One might know the firm as Elektro Euro Plus. Again, it is simply done and it signals that the company offers something extra, something additional.

A wide range of products does determine a wide range of brands:

Large White Appliances – LG, Mora, Beko, Zanussi, Indesit, Bosch, ETA, Sencor

Small White Appliances – Daewoo, ETA, Sencor, Kenwood, Electrolux, Concept, Tefal, Catler, ECG

Built-in Appliances – LG, Mora, Beko, Zanussi, Indesit, Bosch, Eta, Sencor

TV, Audio, Foto – LG, Samsung, Hyundai, GoGen, Nikon, Hama, Olympus, Sharp, Sony

IT, Office Products, Mobile phones – Verbatim, Mio, Lenovo, Asus, Acer,

House, Garden, Workroom – Gude, Fieldmann, Bosch, DWT

(Elektroplus, 2017)

A package of producer is not changing. Most of the time, a product is placed in a cardboard box with its colorful design. Each package owns its different design. However, when the goods is sent from the brick-and-mortar store to a customer who does not come from Jeseníky Region (he or she made an order through the e-shop), there is a small change in a package. A whole product is embedded in another box and it is covered by foil around. An address of a customer is included on the black foil covering a product. Each product does contain UPC. It tells to customers where a product was made, product numeric code, and consumer information (the consumption, the date of manufacture).

7.2 Price

Elektro Euro Plus uses two types of setting price. The first one is Skimming. The second one is Neutral - the price based on competition. With regard to the mix of setting the prices, the company tries to achieve its goals best. In the term of internet competition, Elektro Euro Plus tries to adjust price according to e-shop competition. The largest competition rivals include Alza.cz, TS Bohemia, Mall.cz, Datart, and Planeo Elektro.

7.2.1 Skimming

New products do require skimming. If there are absolutely new products in the market, the company set the price with the help of skimming. At the beginning, the price of a product is higher, after the time (e. g. half a year) the price is decreasing. That is skimming. The producer always states the price – recommended price. That price should be strictly followed by sellers, by the company. It is controlled on the internet, in e-shop, a lot. The price on the e-shop must be the same as well as the manufactured price. Some foremost brands of this case are LG (the most), Catler, ECG.

7.2.2 Neutral (based on competition)

The company does set the price by itself. The firm must go with its competition. Products that are in the market for some time, their prices are set according to the competition. The price is addicted to a competition, the shopping price, and the portfolio of the company. If a company purchases more products (manufacturer or the wholesale), there is provided quantity discount – a preferable price for buyer. Neutral strategy takes much more brands than in it was in the example of skimming.

7.3 Place

Place is mainly about distribution, but also about a space in the store. Regarding the space in the store, it is necessary to have enough goods at the brick-and-mortar store or in the warehouse. That enables the company to have a rich menu of products on a shelf, too. The first way of distribution is to deliver goods to Jeseník's store and the second one is a distribution from Jeseník store to final customers – it is meant the ordered goods via the e-shop. Both distributions are taken place every single day in the company.

7.3.1 To deliver goods in the store

It means from a producer to Elektro Euro Plus. Each producer, each wholesale, or even each brand uses its own logistics, so that it ensures goods in the brick-and-mortar

store in Jeseník. The example of that is LG. That was one opportunity. Another one is to have a contract with large organization such as MOSS logistic, PPL, Top Trans, DPD, GEIS, Gebruder Weis, etc. There are even some organization which they prefer PPL, DPD or Česká Pošta to distribute goods to the company. Elektro Euro Plus purchases goods from the three stable and permanent wholesales: HP Tronic in Zlín, Fast ČR in Prague and KB Group, also situated in Prague. Fairs of those wholesales are taken place twice a year, and Elektro Euro Plus is a regular participant of every fair. Moreover, the company also permanently receives a catalog with advantageous goods.

Place in the store also means place on shelf. Organized products own their tags with the brand, the number (the type) and with recommended price and the current price. The personnel enables to customers using a product (how a product works) if they really want. Furthermore, it is essential to ensure the pleasant atmosphere for customers in the store. All customers should have good feelings and impressions during each visit. The store must be cleaned. One could say that they can be minor tools but sometimes those tools can have a big influence or an important effect.

A big advantage of purchasing in the store can be the company is capable to watch behavior of all customers. The staff can observe consumers and it can see their needs and wants. It is something like the company tactic.

7.3.2 E-shop distribution

Distribution via an e-shop is discussed. Every consumer who does not live in Jeseníky Region receives goods through PPL, DPD or Česká Pošta. The organization co-operates with them all the time. Every customer who is a citizen of Jeseníky Region can take an advantage of company cartage. Cartage is provided for those who are not capable to transport goods by themselves. Employees of Elektro Euro Plus manage cartage of products every single day.

7.4 Promotion

Promotion in Elektro Euro Plus. The company does not have its own marketing director, so the both CEOs look after promotion. The company uses tools of in-store advertising (advertising in the store), such as advertising in aisles of the store in on the shelf. The firm also prefers outdoor advertising, such as indoor, billboards and mobile advertising. On the other hand, there is not enough support through social media. All the kinds of promotion are introduced in the following chapter in more details.

8 AN ANALYSIS OF THE MARKETING COMMUNICATION MIX IN ELEKTRO EURO PLUS

There are the tools of the marketing communication mix in Elektro Euro Plus. As it was mentioned above, the company does concentrate on the electrical engineering industry. Regarding the kind of industry, there is probably supposed to build the strong communication mix. The analysis of the current situation of the marketing communication mix in Elektro Euro Plus was realized in great details. The data were collected from the qualitative research, from the interview with the store manager, and from the database of the company. In the database, there were enough internal documents. The store manager stated that some of the tools below are successful and some of them are not.

8.1 Advertising

- *Indoor Advertising* – Indoor advertising means having some leaflets which are placed in the store. Two types of leaflets. The first type is that customers can find some handouts in the store. The second type is preferable. A larger amount of leaflets is regularly distributed into mail boxes of citizens in Jeseníky Region. The both types are periodically updated.
- *Billboards* – A small using of billboard. Billboard means advertising outside. There are some handouts placing on the wall of the store outside. These handouts are regularly updated, too. In addition, there are some posters that are located in some visible places (an official desk of a town). However, in the area there is not enough using of billboards.
- *Mobile Advertising* – Mobile advertising can also catch the attention of potential customers. Mobile advertising does mean advertising placed on transport facilities. Elektro Euro Plus does not prefer any public transport such as a bus, a train or a taxi in Jeseníky Region. The company uses for mobile advertising its own van. The logo, the brand, and the address are placed on the van. That van also serves for cartage of products around Jeseníky Region.
- *Internet promotion* - Internet advertising means promotion via the internet. Elektro Euro Plus does not use this kind of promotion very much. The company is available on two websites. The first websites: www.elektroplus.cz, and the second one: www.elektrocentrum-dvoracek.cz. Both websites offer the same products and both websites are updated every single day. The company tries to support its promotion

through social media. Potential customers can also find the company on Facebook. However, the support on Facebook is not so big. The promotion through social media is not at a large scale.

8.2 Public Relations

- *Media Relations* - in Jeseníky Region, there is regular newspaper, called Jesenícký Týdeník, which is published weekly, every Tuesday. However, the company does not cooperate with the newspaper. There is probably no need to be seen via the kind of newspaper.
- *Events* - the corporate party is taken place once a year at hotel – Zlatý Chlum, in Česká Ves (5 kilometers far away from the company).
- *Digital Communication* - the company does not have its own marketing director, so the both CEOs and the store manager look after the web administration of the company regularly.
- *Sponsoring* - the company has ever sponsored some local balls and proms in its history, but not so many. Sponsoring was in the form of a gift voucher.

8.3 Sales Promotion

Trade promotion:

- *Display allowance (posters)* – there are some leaflets placed on the wall of the company outside.
- *Display allowance (in-store digital television)* – there are two LCD television immediately next to the entrance into the store. Both televisions are working all opening hours every day. Therefore, it can immediately pay the attention of coming customers.

Customer promotion:

- *Coupons* – some gift vouchers though sponsoring of some balls and proms.
- *Price-off deals* – the lower the price is set, the more customers will go. The kind of promotion works very well. In the distributed leaflets, there are usually products in discount and customers very often prefer these products. The company is regularly set the lower price on the e-shop as well as in the store selling. It also catches the attention of customers.

8.4 Direct Marketing

- *Catalogue* – this form is very effective for the company. There are some catalogues and leaflets placed exactly in the store. Customers have an opportunity to take them for free. A larger amount of leaflets is regularly distributed into mail boxes of inhabitants in Jeseníky Region. The both types are periodically updated.

8.5 Personal Selling

- *Selling in the store* – employees of Elektro Euro Plus, who are working in the store, have an everyday contact with customers. That is a huge benefit. The employees can observe the behavior of all customers and to get some feedbacks. That type of promotion is very strong and beneficial for the company.
- *Events and exhibitions* – HP Tronic, Fast ČR, and KB Group take a place some fairs twice a year. Furthermore, LG takes place its own fairs. Elektro Euro Plus is a regular participant of every fair.

8.6 Word-of-mouth

- When it comes to word-of-mouth, that type is used in the industry, too. Customers may share their experience with products. If a customer is happy, he or she will recommend the company to his or her relatives, friends, etc. If a customer is unhappy, he or she will not probably recommend the company to his or her friends. That type of promotion also works well because the company has had enough customers who were recommended by someone else.

9 MARKETING STRATEGY OF ELEKTRO EURO PLUS

The three particular strategies are practically displayed. In the theoretical part, PESTLE Analysis, Benchmarking, and SWOT Analysis were generally described. In the analytical part, they are practically oriented.

9.1 PESTLE Analysis of Elektro Euro Plus

Political

Taxes, currency, and customs duty influence the tax policies. Elektro Euro Plus purchase products with vat from its manufactures as well as other companies do. The company pays social security and health insurance for its customers every month. Currently, there is a speculation about accepting Euro in the Czech Republic. The store manager of the company assumes that accepting Euro in the future may not influence the existing of the company so much. The company is without any foreign capital, so customs duty is not to be discussed.

Employment laws are stated by the company itself. There is duty to be on time at work. Employees are supposed to wear appropriate clothes (no shorts). They are also supposed to communicate with all customers in a polite way. Each employee must have a driving license and experiences with driving a van. Every employee participates in the training. The training is about to provide products on installments. The company has the contract with the well-known institution called Home Credit.

Labor laws states 25 days off a year. Employees of the company go to the work also in Saturday (two Saturdays a month). There is extra money added to the salary of each employee every month. It depends on the productivity of an employee.

(the interview with the store manager)

Economic

The unemployment is perhaps the key economic factor. When it comes to economic factors, including unemployment, inflation, or GDP (Gross Domestic Product), unemployment is the main factor in Jeseníky Region. Jeseníky Region is located in the north of Silesia of the Czech Republic. Nowadays, there is still high unemployment. Local people, especially men are forced to go for a work into bigger regions. Men in twenties, thirties, forties, but also in fifties work in Prague, Pilsner, Brno, or in Slovakia and Germany. From time to time, some of these people move to another larger town. That is a huge problem because Jeseníky Region loses its inhabitants and thus some stable and

potential customers for Elektro Euro Plus. In the Region, there are the most frequent craft works, including bricklayer, whitesmith, plumber, or painter.

(the interview with the store manager, 2017)

Vidnava can be a good example of losing inhabitants. Vidnava is a small town located 25 kilometers far away from Jeseník. Local inhabitants gradually leave the town because there is not enough job position. In 2015, there were 1414 inhabitants. In 2016, there were 1335 inhabitants. Nowadays, in 2017, there are 1260 inhabitants.

(the interview with the mayor of Vidnava, 2017)

Social

The company employs only the Czech citizens. Every month, some unemployed who are registered in Employment Department, apply for the job in the company in the way of donation. The company has ever employed these people (for 9 months). On the other hand, company prefers some participants that they are chosen in the interview according to own choice. The organization would rather to employ young people, because young people are supposed to understand the electrical engineering industry better than people in forties, for instance. There is no need a high education – Maturita Exam is supposed to be owned. To speak English language is the advantage, but it is not a duty.

(the interview with the store manager)

Technological

The firm does not manufacture anything. It has the three permanent suppliers. There is no need to own some technological machines. However, in the electrical engineering industry, there is probably essential to have some technological skills with using of gadgets and products. (the interview with the store manager)

Legislative

Legislative factors may mean some changes in business. Those particular changes are stated by the government and the company must follow them. However, Elektro Euro Plus is the private company and it delegates its own police in internal matters.

(the interview with the store manager)

Ecological

In these days, the influence of a company on the ecology (the environment) is perhaps commonly discussed issue. People are probably interested in pollution, diseases, etc. Each company may adhere to the environmental standards and regulations. In the store, there are two boxes. One is for defective batteries, and one is for tops of pet bottles. Regarding to the tops, Elektro Euro Plus has the contract with Eko-kom. The company also has separate

boxes for cardboard and polystyrene. Regards cardboard and polystyrene, Elektro Euro Plus has the contract with Technické Služby Jeseník a. s.

(the interview with the store manager)

9.2 Benchmarking of Elektro Euro Plus and its competitors

Elektro Euro Plus and its 4 biggest competitors on the internet are measured. The competitors for Benchmarking were chosen according to similar focus of activities, and according to the same type of the industry. There are measured some factors according to websites of each company. Benchmarking focuses on the e-shops among the companies. They are probably included largest competitors on the internet.

The selected company - Elektro Euro Plus

Competitor no. 1 – Alza

Competitor no. 2 – TS Bohemia

Competitor no. 3 – Mall

Competitor no. 4 – Datart

Company Factor	Points of Weight	Points Maximum	Elektro Euro Plus	Alza	TS Bohemia	Mall	Datart
			27,65	49,3	42,25	41,65	41,35
Product	0,1						
Range of Products (including EEI)	0,4	10	8	10	9	7	9
Range of Products (not including EEI)	0,3	10	9	10	9	10	10
Providing Additional Services	0,3	10	8	10	8	9	9
Price	0,3						
Products (0 - 1000 CZK)	0,3	10	7	10	7	6	5
Products (1000 - 10 000 CZK)	0,4	10	7	10	7	8	7
Products (10 000 CZK -)	0,3	10	9	9	9	9	9
Place	0,1						
Expedition	0,5	10	5	10	10	10	10
Collection of goods (a particular store)	0,2	10	2	10	10	10	4
Number of stores	0,3	10	2	10	9	8	9
Promotion	0,2						
Design of E-shop	0,3	10	6	10	9	9	8
The Title Page of Websites	0,4	10	5	10	9	8	9
Catchy Logo	0,3	10	3	10	5	5	6
Communication Mix	0,3						
Newsletter	0,05	10	0	10	7	7	10
Facebook	0,2	10	1	10	10	10	10
YouTube	0,05	10	0	10	10	9	10

TV Advertising	0,25	10	4	10	8	8	8
Leaflets	0,2	10	8	8	8	8	10
Word-of-mouth (also based on survey research)	0,25	10	3	10	8	9	7

Table 1. Benchmarking Analysis. Source: own evaluation.

Benchmarking analysis displays Elektro Euro Plus and its biggest competitors on the internet. The goal of this bachelor thesis is to come up with possible suggestions and recommendations to gain new potential customers. In addition, to find the factors that lead to increase competitiveness of Elektro Euro Plus and its e-shop. The evaluation of the benchmarking is practically done from the point of view of a new potential customer.

The analysis of the benchmarking focuses on competition, the items of 4P and communications mix. Weight of factors shows the value of each selected item. There are 5 distinctive sectors. Every sector consists of factors and their total sum is 0,100 (100%).

As it was mentioned before, there is discussed the marketing mix and the marketing communications mix from the perspective of each organization. The overall results revealed that the four competitors are almost on the same level. Furthermore, the company Alza was the winner of the analysis. The e-shop is probably the number one in the country. Speaking of Elektro Euro Plus, there can be nicely seen that the company is not equivalent competitor. More changes should be done for an improvement. When it comes to products and price, the company is still capable competitor. Regarding the place, promotion and communication mix, there is a huge gap between Elektro Euro Plus and other competitors. However, as the biggest weakness was showed promotion and communication mix.

9.3 SWOT Analysis of Elektro Euro Plus

Strengths

- Range of products
- Quality of products
- Small company = deeper relationship among CEOs and employees
- Prices of products are capable go with its competition
- The Top store in Jeseníky Region (speaking of brick-and-mortar store)
- Positive reference of customers

Weaknesses

- Weak support on social media, weak promotion
- Small overall support on the internet
- No more branches, just one
- No more collection of goods
- Too long duration of expedition (sometimes it takes 3 days)
- Not to be equivalent in the comparison of e-shops

Opportunities

- To open new branches
- To employ a marketing manager looking after just marketing communication
- To educate only young people with qualitative knowledge of the industry
- Stable situation at market
- More space for car parking in front of the store

Threats

- New competitors in the both area (brick-and-mortar store, e-shop)
- Ongoing leaving of local inhabitants in Jeseníky Region
- Some of competitors promotion getting stronger
- High unemployment
- More favorable and more famous companies on in the internet, through e-shop

10 SURVEY RESEARCH

A survey research of a purchase in Elektro Euro Plus was done. The survey research discusses an interest and a purchase of inhabitants in Jeseníky Region. It does concentrate on regular customers of Elektro Euro Plus, but also on the potential customers. It was done in the form of the questionnaire, with the help of the websites: www.survio.com. The questionnaire consists of 12 questions. 10 questions were optional, respondents could choose from the chosen answers. In the end, there were 2 open questions and the goal was to get some particular information. 99 respondents were participated in the questionnaire. The number is very positive. Responses are expressed in the percentage, in brackets and then in the graphs. The questionnaire was posted on Facebook, via social media. The questionnaire is focused on purchase at brick-and-mortar store and purchase via e-shop of the company. Each question is listed on a separate page and there is the graph of responses. In addition, there is an additional comment.

1. Are you a man or a woman?

- a) *A man.* (42, 4 %)
- b) *A woman.* (57, 6 %)

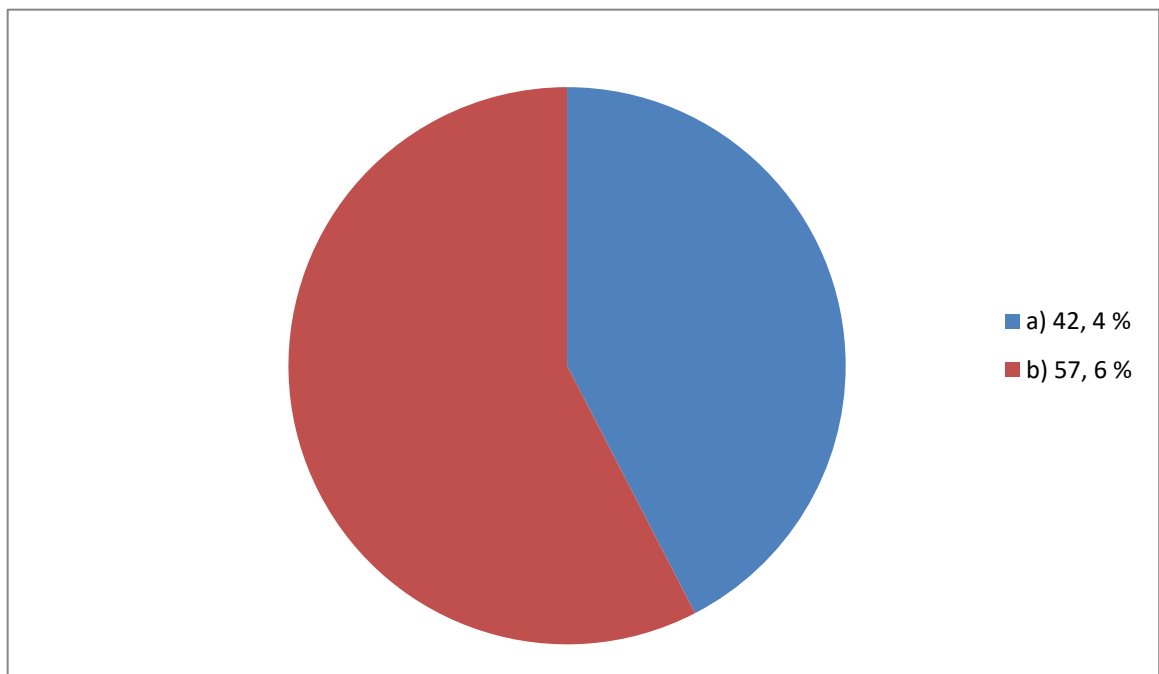


Figure 2. Question Number 1.

Source: own elaboration according to respondent answers.

The first question focuses on the gender. As it can be seen from the graph, results were almost similar. However, there were slightly more women (57, 6 %) participated than men (42, 4 %) among all respondents.

2. How old are you?

a) 0 – 19 years old.	(5, 1 %)
b) 20 – 25 years old.	(47, 5 %)
c) 26 – 50 years old.	(41, 3 %)
d) 51 (and more) years old.	(6, 1 %)

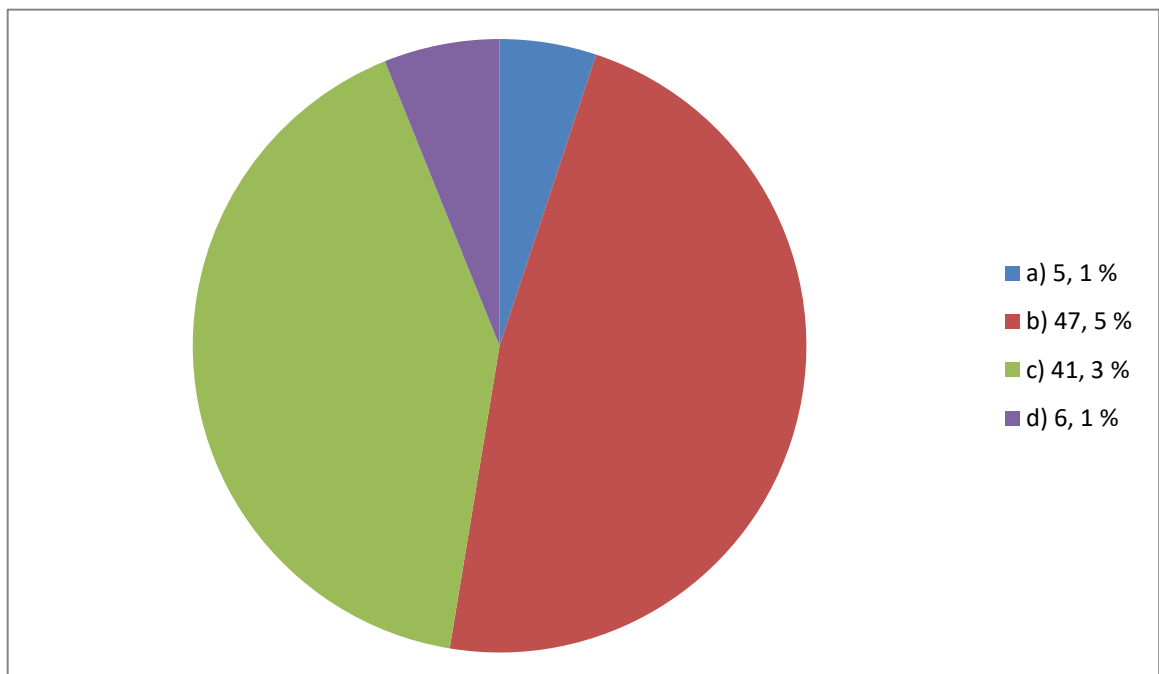


Figure 3. Question Number 2.

Source: own elaboration according to respondent answers.

The second question concentrates on the age groups. From the graph, there is nicely seen, that most of the respondents were students (47, 5 %) and people between 26 – 50 years old (41, 3 %). The remaining responses were nearly the same. The result may have been expected because the questionnaire was posted through social media, namely Facebook.

3. Are you interested in the electrical engineering industry (e. g. household appliances, television, laptops, etc.)?

- | | |
|--|-----------|
| a) <i>Yes, I am. Very often.</i> | (27, 3 %) |
| b) <i>Yes, I am. A little.</i> | (26, 3 %) |
| c) <i>In the case of purchase a new product.</i> | (46, 4 %) |
| d) <i>No, I am not at all.</i> | (0 %) |

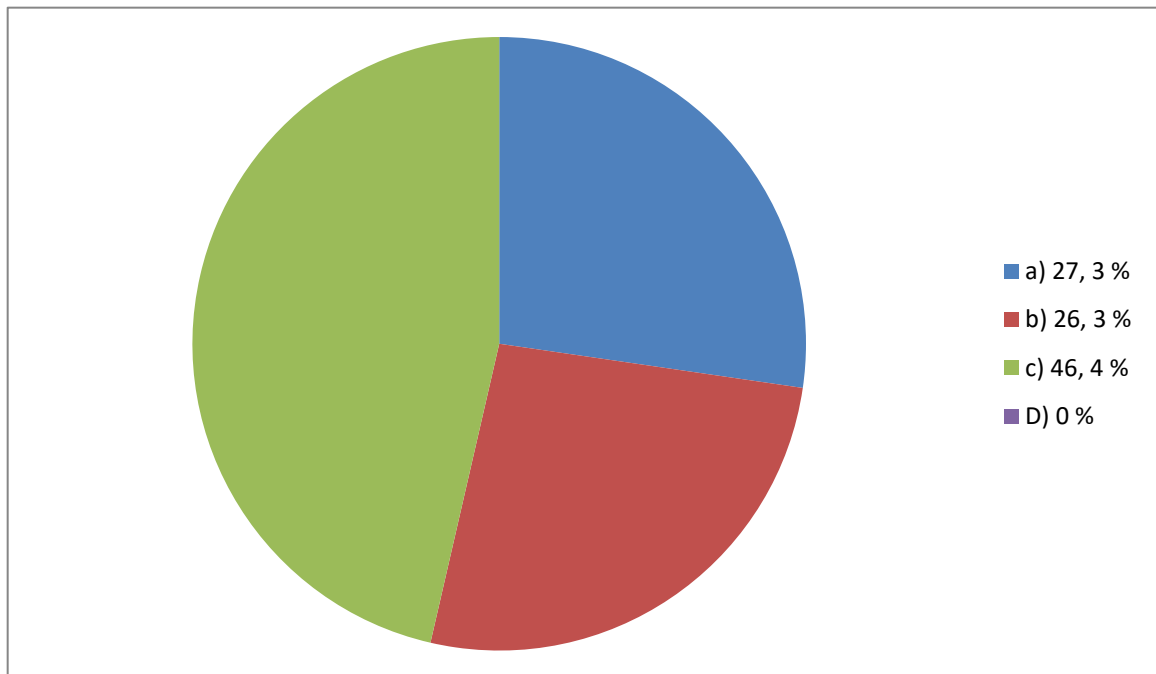


Figure 4. Question Number 3.

Source: own elaboration according to respondent answers.

The third question studies an interest in the electrical engineering industry. The graph shows that almost the half of all respondents (46, 4 %) is interested the electrical engineering industry if there is need to purchase a new product. The responses: *Yes, I am. Very often.* and *Yes, I am. A little.*, were almost the same. One thing might be surprising – there was no one who is interested in the electrical engineering industry. Regarding this information, it can be confirmed that people are interested and familiar with the electrical engineering industry.

4. If you are interested in the electrical engineering industry, which category is the most familiar to you?

- a) *Large White Appliance.* (11, 1 %)
(e. g. a fridge, a washing machine, an oven, a cooker, etc.)
- b) *Small White Appliances.* (11, 1 %)
(e. g. a kettle, a shaver, a vacuum cleaner, etc.)
- c) *TV, Audio, Photo.* (2, 0 %)
(e. g. a television, a radio, a gramophone, etc.)
- d) *IT, Office Products, Mobile phones.* (75, 8 %)
(e. g. laptops, smart phones, computers, etc.)

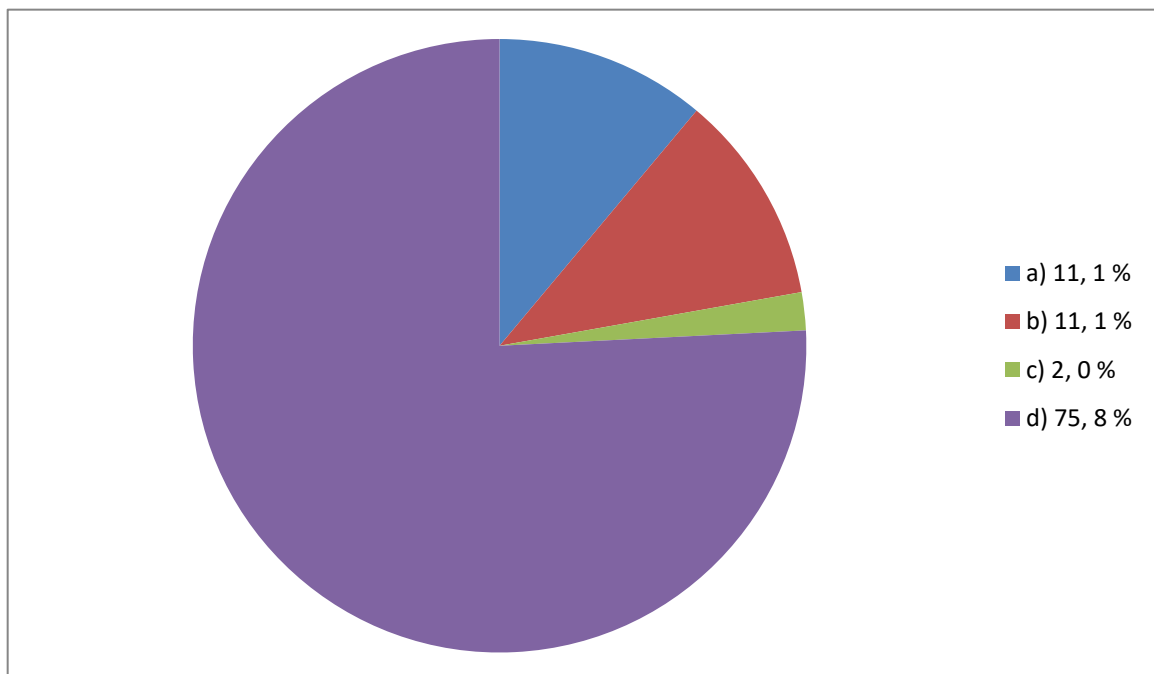


Figure 5. Question Number 4.

Source: own elaboration according to respondent answers.

The fourth question examines a category of the electrical engineering industry that is the most favorable. It can be showed form the graph that most of the respondents are familiar with the category: *IT, Office Products, Mobile phones*. Then the graph shows the same results between the categories: *Large White Appliances* and *Small White Appliances*. The result of the category: *TV, Audio, Photo* presents that people are not probably interested so much in television, radio and things like that. Apparently, they think about a television as every day routine, so there is not probably interest about it in more details.

5. Do you like to buy products at brick-and-mortar store or via e-shop?

- a) *A brick-and-mortar store.* (30, 3 %)
b) *An e-shop.* (32, 3 %)
c) *Both.* (37, 4 %)

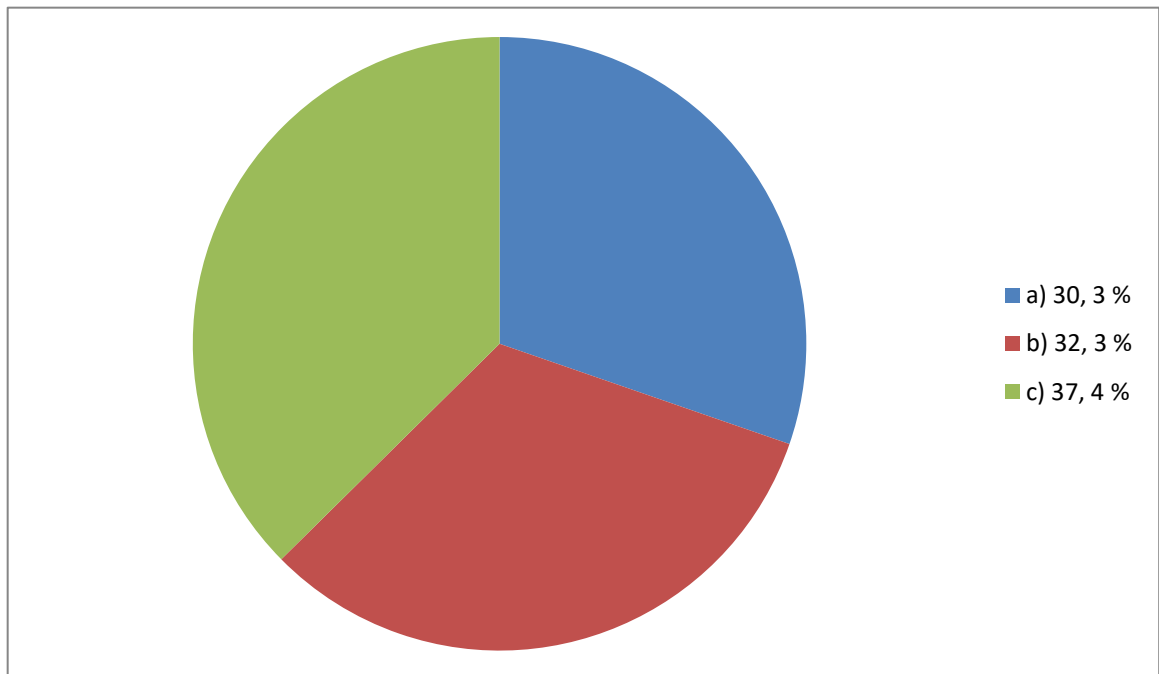


Figure 6. Question Number 5.

Source: own elaboration according to respondent answers.

The fifth question discusses a preference of purchase at a brick-and-mortar store and through an e-shop. It can be seen from the graph that results were almost equal. This fact is probably surprising and interesting because nowadays customers may tend to purchase on the internet more, via e-shop. People might like their convenience at home. However, the result of the questionnaire may have been not confirmed that fact.

6. In the case of buying on the internet, which e-shop do you use the most?

a) <i>Elektro Euro Plus (Elektrocentrum Dvořáček).</i>	(19, 2 %)
b) <i>Alza.</i>	(36, 4 %)
c) <i>TS Bohemia.</i>	(11, 1 %)
d) <i>Mall.</i>	(22, 2 %)
e) <i>Other.</i>	(11, 1 %)
f) <i>I do not buy via the internet.</i>	(0 %)

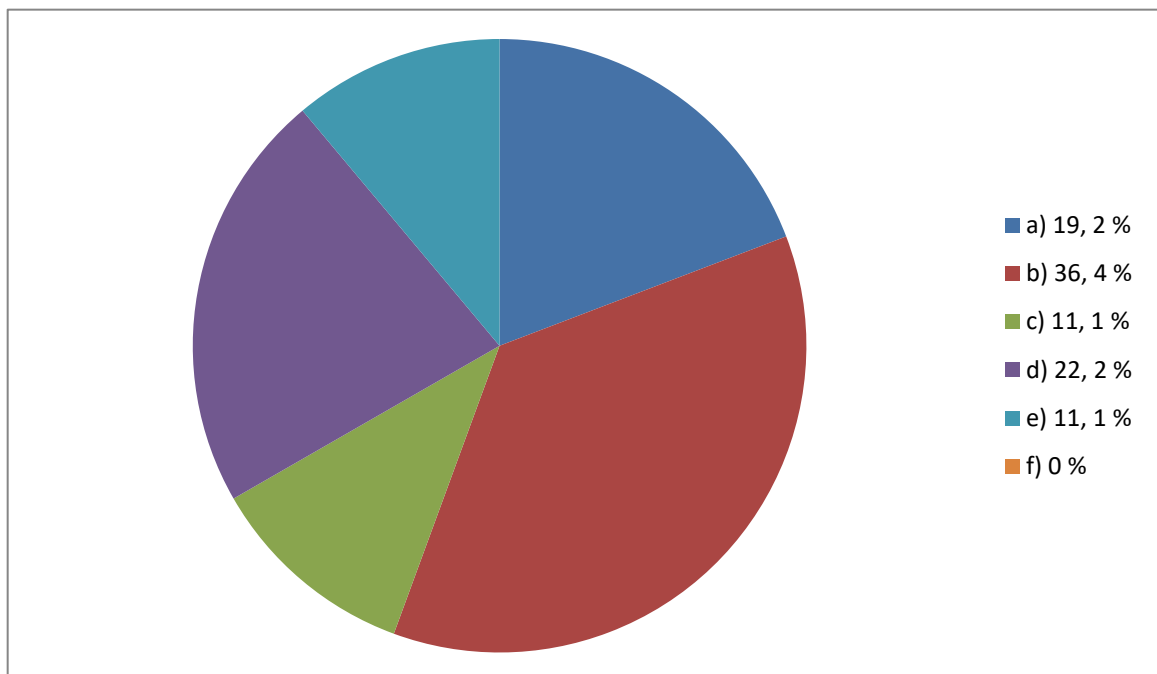


Figure 7. Question Number 6.

Source: own elaboration according to respondent answers.

The sixth question examines which e-shop is the most popular. The graph presents that *Alza* is the most favorable e-shop. The second one was *Mall*, and then there was the selected company for this bachelor thesis – *Elektro Euro Plus*. After the three e-shops, there were *TS Bohemia* and other e-shops. No one from respondents does not use the internet to buy some products. *Alza.cz* is perhaps the most famous e-shop with electronics, therefore the result is not probably surprising. It can be positive that *Elektro Euro Plus* was on the third place, but on the other hand, in the confrontation with *Alza*, there is a huge gap.

7. In which store do you like to purchase in Jeseníky Region?

- | | |
|--|-----------|
| a) <i>Elektro Euro Plus (/Elektrocentrum Dvořáček/Quelle Jeseník).</i> | (42, 4 %) |
| b) <i>Expert Elektro.</i> | (25, 3 %) |
| c) <i>Hako Jeseník.</i> | (18, 2 %) |
| d) <i>Other.</i> | (14, 1 %) |

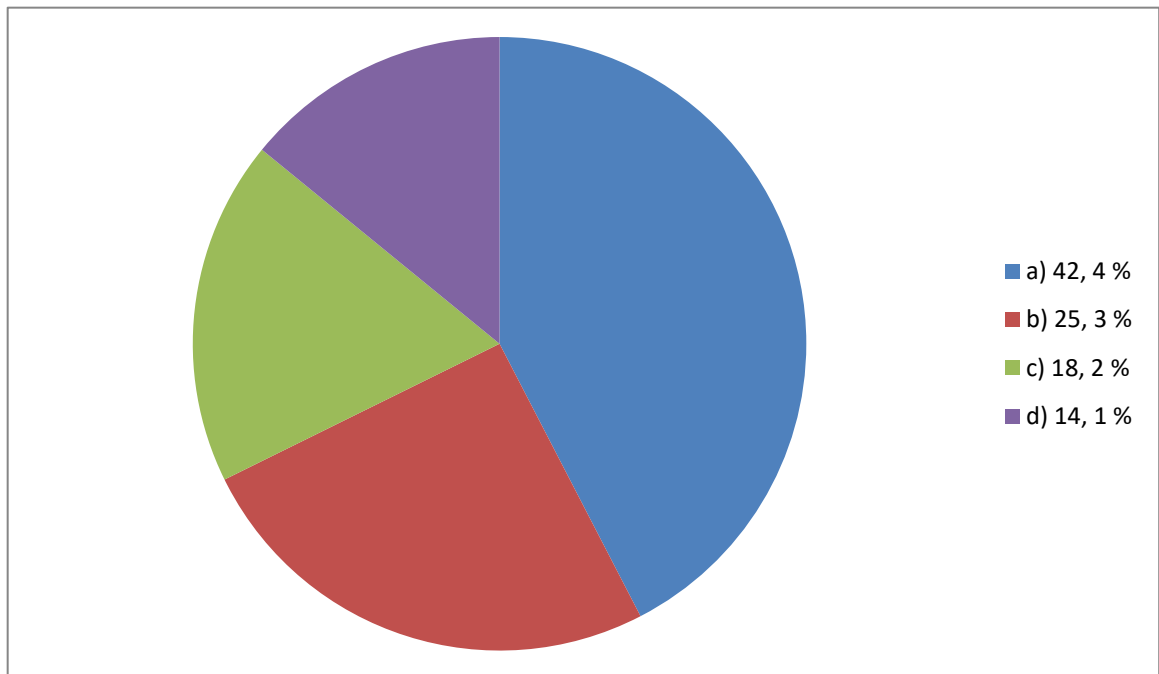


Figure 8. Question Number 7.

Source: own elaboration according to respondent answers.

The seventh question examines the stores in Jeseníky Region, particularly in Jeseník itself. From the graph, it can be seen that in this confrontation Elektro Euro Plus was the most preferable. Almost one half of all respondents chose the company. The second one was Expert Elektro, probably the largest competitor. Then there was Hako Jeseník and some others. When it comes to the brick-and-mortar store, Elektro Euro Plus is dominant, whereas speaking of an e-shop, the company has some shortages.

8. If you are a customer of Elektro Euro Plus, how often do you buy some products there?

- | | |
|--|-----------|
| a) <i>I am a loyal customer.</i> | (3, 1 %) |
| b) <i>Few times a year, when it is necessary.</i> | (40, 8 %) |
| c) <i>The price is key factor. If there is a discount, I immediately buy it.</i> | (17, 3 %) |
| d) <i>I do not buy there at all.</i> | (38, 8 %) |

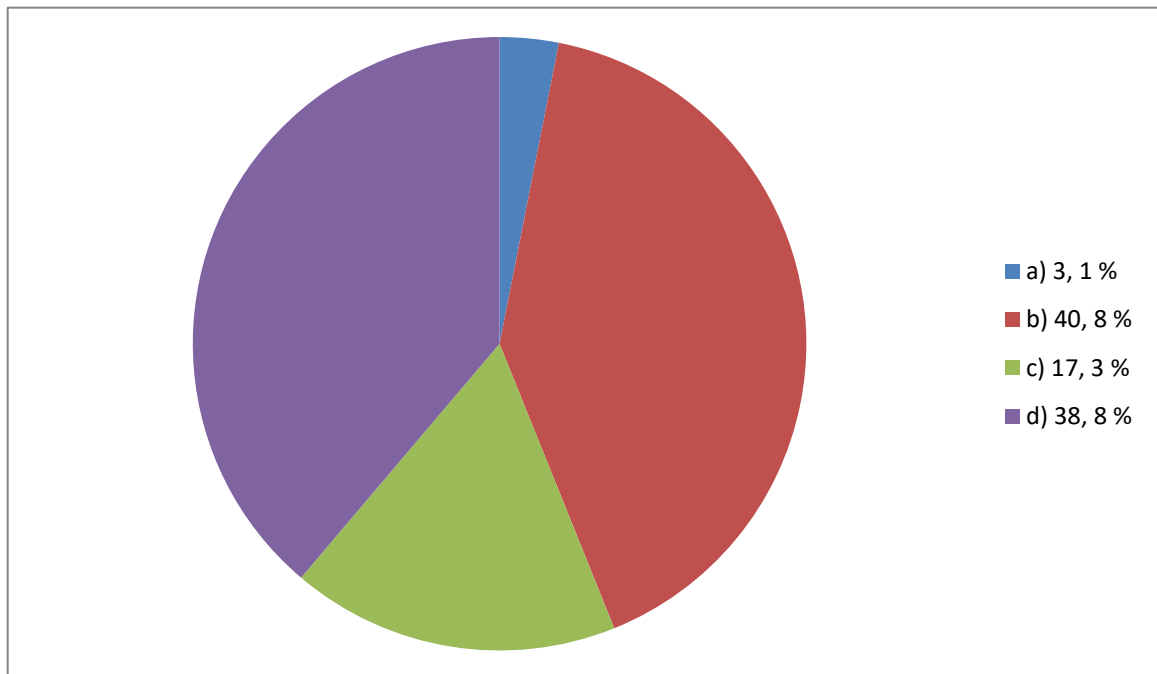


Figure 9. Question Number 8.

Source: own elaboration according to respondent answers.

The eighth question studies the frequency of purchase of loyal or some customers. As the graph shows, customers purchase products there a few times a year, when it is necessary (40, 8 %). Almost the same number (38, 8 %) of respondents answered that they do not purchase in Elektro Euro Plus at all. 17, 3 % of all respondents ticked the option that the price is key factor. From all respondents, there were not so many loyal customers (3, 1 %).

9. If you are a customer of Elektro Euro Plus, how do you get to know about products? From which promotion?

- | | |
|---|-----------|
| a) <i>Through the internet. (websites of the company)</i> | (15, 8 %) |
| b) <i>From leaflets.</i> | (29, 4 %) |
| c) <i>From friends, close friends, and family.</i> | (12, 8 %) |
| d) <i>From posters, billboards, mobile advertising.</i> | (3, 2 %) |
| e) <i>I do not buy there at all.</i> | (38, 8 %) |

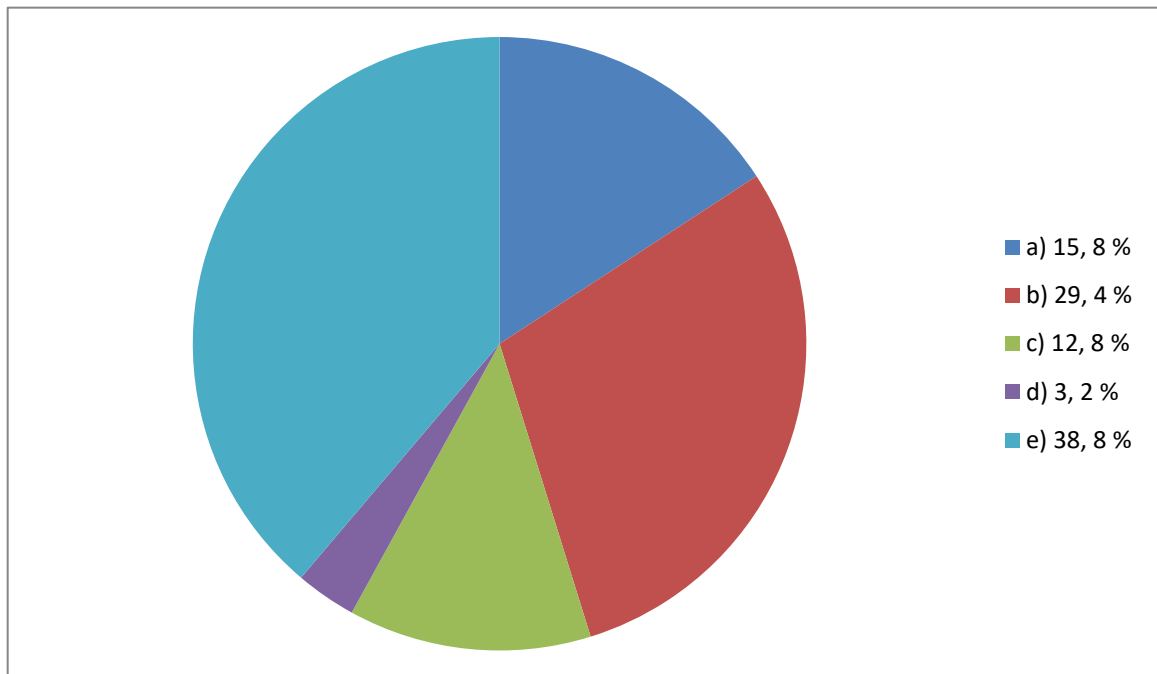


Figure 10. Question Number 9.

Source: own elaboration according to respondent answers.

The ninth question discusses promotion of Elektro Euro Plus. 38, 8 % of all respondents were not customers of the company. The number is the same as it was in the previous question. Customers of the company get to know mostly from leaflets, it means leaflets which are delivered in their mail boxes. It can be a typical kind of promotion in Jeseníky Region. *Through the internet* and *from friends close friends, and family* were next, 15, 8 % and 12, 8 % respectively. *From posters, billboards, mobile advertising* – this kind of promotion is probably not popular.

10. Are you satisfied with the services of Elektro Euro Plus? (including range of products, price, personnel, distribution, promotion, etc.)

a) Yes, I do. A lot.	(28, 9 %)
b) Yes, I do. A little.	(47, 4 %)
c) It could be better.	(16, 5 %)
d) No, I do not.	(7, 2 %)

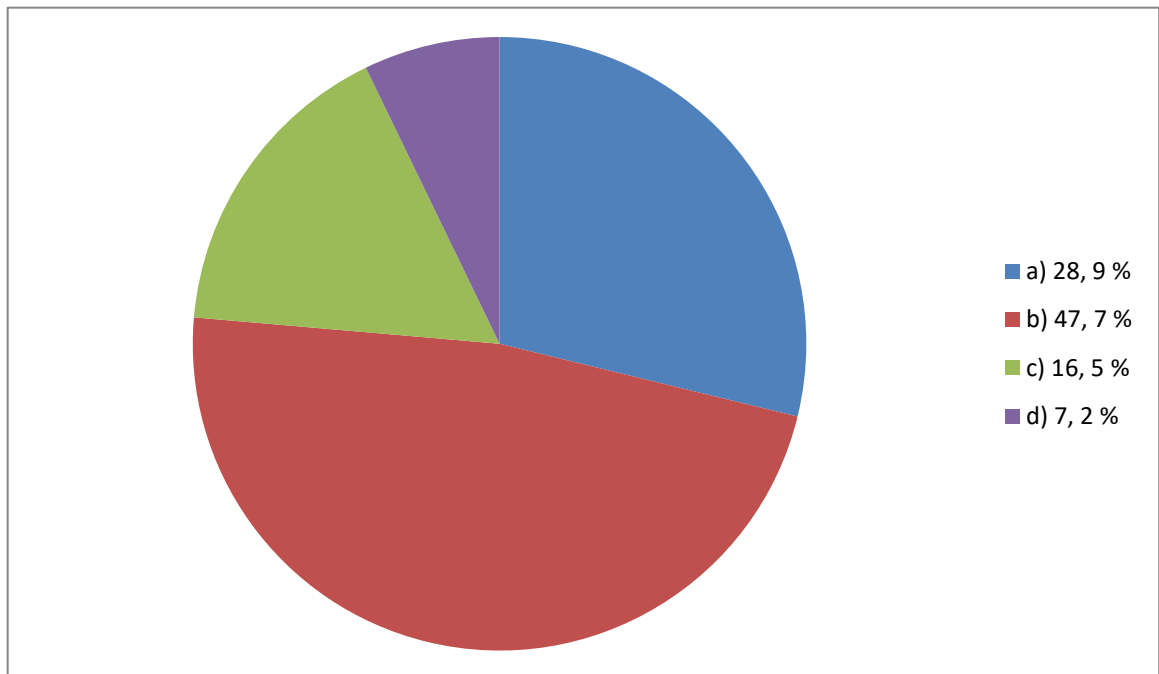


Figure 11. Question Number 10.

Source: own elaboration according to respondent answers.

The tenth question studies the satisfactory with the services of Elektro Euro Plus. As the graph states, most of the respondents are satisfied with the services (a little – 47, 7 %, a lot – 28, 9 %). There are also included the respondents who do not belong among customers of the company. The task was also about company websites, company status on social media, etc, that is the reason why everyone had opportunity to answer.

11. If you have ever bought something in Elektro Euro Plus, what caught your attention the most? With what were you satisfied?

(open question)

The most frequent answers:

- *Pleasant personnel.*
- *Information about products.*
- *Regular leaflets in customer mail box.*
- *A mobile phone.*
- *I do not buy very often there.*
- *Nothing.*

Question Number 11.

The eleventh question was open and it examines some particular features of satisfactory with a company. There are listed the most frequent responses. Some of them were about personnel, communication with customers, promotion and specific products.

12. If you have ever bought something in Elektro Euro Plus, with what were you not satisfied? What should the company improve in the future?

(open question)

The most frequent answers:

- *All is alright.*
- *More promotion on the internet and social media.*
- *To see current products on Facebook.*
- *More space at brick-and-mortar store.*
- *I do not buy very often there.*
- *Nothing.*

Question Number 12.

The twelfth question was also open and it was about unsatisfactory with specific features. Moreover, respondents were asked to suggest some particular changes into the future. Some of the answers were focused on a space at brick-at-mortar store – to broaden the space. However, according to some respondents, the company has the most lacks in promotion and presenting itself on social media.

11 RECOMMENDATION AND SUGGESTIONS FOR IMPROVEMENT OF THE MARKETING COMMUNICATIONS MIX IN ELEKTRO EURO PLUS

The last chapter of this thesis discusses some possible recommendations and suggestions for the improvement of the marketing communications mix in Elektro Euro Plus based on the analysis and the survey research. Elektro Euro Plus provides its services through the store sales and sales via e-shop. When it comes to the store selling, the company is competitive in local area, in Jeseníky Region. It needs only a small adjustment. On the other hand, regarding sales via e-hop, there are some flaws that should be improved. If the company puts in place the suggested recommendations, it might increase competitiveness, thus it may gain more customers.

11.1 To increase a support through social media and the company websites (e-shop)

11.1.1 Facebook

Elektro Euro Plus has its own profile on Facebook but the number of fans is truly small – only 200 followers. The company is almost non-active on Facebook and that is a huge lack and disadvantage in the current world. Facebook is probably the most popular social media, which connects people all over the world. It is not just about to gain more customers, it is also about better promotion of the company to make it more visible. There is enough space to be attractive – to show products, to show the present discount, to show some extra changes in the company. The potential marketing manager should look after company's websites and its promotion on social media, too. On Facebook, there is enough space to be seen. Facebook profile is free, it does not cost any money, but it is worth the time.

11.1.2 Instagram

Instagram is for sharing pictures. Instagram was bought by Facebook and it serves for sharing pictures and writing notes to the particular picture. It is probably another popular social media today. Elektro Euro Plus should use Instagram for sharing its current as well as new products. Followers would be informed immediately and would see the present offer from their home.

11.1.3 LinkedIn

LinkedIn is perhaps on the rise as well as Facebook, Instagram, Twitter, or other social media. Everything what the company has to do is to register itself through the register form. Registration via LinkedIn is free. This way, Elektro Euro Plus can gain some foreign customers, similarly like from Facebook and Twitter.

11.1.4 Better design of the company websites (e-shop)

The best way would be to hire a marketing director. Both CEOs take care of the websites, both of the sites require some major changes. If the company hired only one person (e. g. marketing director) the websites could look much better than now. Recommended changes include more attractive title page, new catchier logo, photos, and more information about each product in the e-shop and making websites more active – to renew them twice a day. It would suggest one additional tab. If a customer clicks on it, they can see some activities and events that are associated to Elektro Euro Plus like an extensive portfolio of the company. Another potential recommendation for the improvement in this section would be a simple game on the websites. The game would introduce the company itself, and its products.

11.2 You Tube channel for more promotion of the e-shop

You Tube is perhaps the biggest and the most famous channel for sharing videos. Visitors can find there videos, films, songs, and song lyrics. There is an opportunity to make a short video (it will probably take 1 minute or so) which would catch the attention of some potential customers for Elektro Euro Plus. The video would characterize the company in a positive and funny way. Company's name, symbol, slogan, and possible mascot represented by a funny creature would be included in the video. The company would follow steps below:

1. To create an account on Google
2. They would use the same account for the You Tube Channel
3. To make a video
4. To embed the video in You Tube

11.3 New potential customers for the store selling

11.3.1 More space in the store, more space for customers cars

To have more space in the store probably means to extend the store itself. There are free spaces immediately next to the store. It would suggest to rent the space and connect it to the store. Regarding the parking space, there is a car park located opposite the store, which could be rented. There is a room for at least twelve customers.

11.3.2 Billboards

It would suggest one billboard which could be located close to Elektro Euro Plus and several posters that would be placed in surrounding towns and villages. Placing posters on strategic and visible places in Jeseníky Region would be probably more effective way. Especially if the posters are created in attractive and funny way focused on drawing people's attention.

11.3.3 Sponsorship

As it has been mentioned before, the company has sponsored some local balls and proms in the past. Sponsorship can help established a good image of a company, but it may require sufficient amount of money. However, the company would sponsor some annual events, namely a firefighter ball, a tennis ball, a hunting ball, a football cup, a volleyball cup. These events take place in Jeseníky Region on regular base throughout the year.

CONCLUSION

The marketing communications mix is probably the key factor to success of each company. Every organization has numerous opportunities and tools how to communicate with its customers. Due to the fact, it is essential to choose those factors that lead to an effective and stable firm's cycle of life. Moreover, each organization should watch new and modern trends in the marketing communication, then the organization may be competitive. Elektro Euro Plus is perhaps prosperous company when it comes to selling in the store. On the other hand, regarding the sales via an e-shop, there are some shortages in the marketing communication mix.

This bachelor thesis should have proven competitiveness of the Czech company Elektro Euro Plus. Furthermore, the goal was to come up with suggestions and recommendations for the future improvement of the current situation in the company. This thesis was divided into two parts. Firstly, the theoretical part which was based on literature. Secondly, the analytic part which discussed the current situation in the selected company. The end of the thesis is focused on suggesting possible recommendations for increasing competitiveness of the organization.

The chosen analyses, namely PESTLE Analysis, Benchmarking, and SWOT Analysis, showed some shortcomings of the company. The analyses were followed by the survey research, which was also an important tool for the final determination. Based on the analyses and the survey research, the company should improve its internet promotion. The particular recommendations included promotion through social media (Facebook, Instagram, LinkedIn), better quality of company websites, to post a video on You Tube Channel. There were also suggested some recommendations for selling in the store, including billboards advertising, sponsoring some local events, and to extend the space in the store as well as parking for the customers.

Elektro Euro Plus can consider the suggested recommendations and try to implement them. It means hiring one marketing employee who will take care of the whole promotion and advertising in the company. It would rather be time-demanding than costly. The results would probably show over longer period of a time.

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LIST OF ABBREVIATIONS

B2B	Business-to-business
B2C	Business-to-customers
CEO	Chief executive officer
C2B	Customers-to-business
C2C	Customers-to-Customers
DPD	Direct Parcel Distribution
EEI	Electrical Engineering Industry
Etc.	“Et Cetera” = and so on
e. g.	For example
GDP	Gross Domestic Product
GPS	Global Positioning System
HD	High-definition
Ing.	Master’s degree
IS/STAG	Internet portal of Tomas Bata University
IT	Information Technology
LED	Light-emitting diode
NWOM	Negative Word-Of-Mouth
PESTLE	Political, Economical, Social, Technological, Legislative, Environmental analysis
Ph.D.	Doctor’s degree
PPL	Professional Parcel Logistics
PR	Public Relations
PWOM	Positive Word-Of-Mouth
STP	Segmentation, Targeting, Positioning
SWOT	Strengths, Weaknesses, Opportunities, Threats
s. r. o.	Limited liability company (Czech)
VIP	Very Important Person
WOM	Word-Of-Mouth
4Cs	Customer value, customer cost, convenience, communication
4Ps	Product, price, place, promotion

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