

Analysis of marketing communication strategy in XY, spol. s r. o.

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Bachelor Thesis
2010



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně
Fakulta humanitních studií
Ústav anglistiky a amerikanistiky
akademický rok: 2009/2010

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Lucie ROMANOVÁ**
Studijní program: **B 7310 Filologie**
Studijní obor: **Anglický jazyk pro manažerskou praxi**

Téma práce: **Analýza strategie marketingové komunikace firmy XY, spol. s r. o.**

Zásady pro vypracování:

Úvod

Teoretická část

Proveďte průzkum literárních pramenů zabývajících se problematikou marketingové komunikace

Analytická část

Analýzujte současnou marketingovou komunikaci ve firmě XY, spol. s r. o.

Navrhněte inovaci marketingové komunikace ve firmě XY, spol. s r. o.

Rozsah práce:

Rozsah příloh:

Forma zpracování bakalářské práce: **tištěná/elektronická**

Seznam odborné literatury:

PICKTON, David, BRODERICK, Amanda. *Integrated marketing communications*. 2nd edition. Harlow : Pearson Education, 2005. 761 s. ISBN 0-273-67645-8.

MCCARTHY, E. Jerome, PERREAULT, JR., William D. *Essentials of marketing*. 5th edition. Homewood : Richard Irwin, 1991. 526 s. ISBN 0-256-09323-7.

KOTLER, Philip. *Marketing management*. 10th edition. Upper Saddle River : Prentice-Hall, 2000. 718 s. ISBN 0-13-012217-3.

Vedoucí bakalářské práce:

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Ústav managementu a marketingu

Datum zadání bakalářské práce:

7. ledna 2010

Termín odevzdání bakalářské práce:

7. května 2010

Ve Zlíně dne 7. ledna 2010



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ABSTRAKT

V mé bakalářské práci se zabývám analýzou strategie marketingové komunikace ve firmě XY, spol. s r. o. V teoretické části provádím průzkum literárních pramenů zabývajících se problematikou marketingové komunikace. Praktická část se zaměřuje na analýzu současné marketingové komunikace ve firmě XY, spol. s r. o. a na doporučení k jejímu zlepšení.

Klíčová slova: marketing, marketingová komunikace, reklama, public relations, osobní prodej, propagace

ABSTRACT

In my bachelor thesis I focused on analysis of marketing communication strategy in XY, spol. s r. o. The theoretical part describes marketing communication, its importance and types of marketing communication. The practical part consists of analysis of marketing communication in XY, spol. s r. o. and proposals for its improvements.

Keywords: marketing, marketing communication, propagation, advertisement, personal selling, public relations

ACKNOWLEDGEMENTS

I would like to thank my family that have always supported me during my studying and writing this bachelor thesis. I would also like to take an opportunity to thank my supervisor doc. Ing. Miloslava Chovancová, CSc.

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INTRODUCTION

Importance of marketing communication in today's world is steadily growing, especially after entering EU. Our companies have to react if they want to succeed in this competitive environment. The aim is not only produced, but also to sell, which is just marketing.

I chose this topic concerning marketing communication because I am interested in it. Any of companies can do without marketing in these days especially the company like XY, spol. s r. o. is. Purchase of machine means investment for a farmer so he will think about it, look for as much information as possible, considered different factors, compare offers from different sellers etc. That is why it is good to have as much information about customers as possible if we want to satisfied their needs and influence them.

The aim of my work is processing of literary sources dealing with marketing communication and analyze a current state of marketing communication in XY, spol. s r. o.

In the first part I will describe marketing communication, its types and importance.

Second part is focused on analysis of internal and external marketing communication in XY, spol. s r. o. I will analyze it and make suggestions for improving of marketing communication in the company.

I. THEORY

1 MARKETING COMMUNICATION – ESSENCE OF MARKETING

The whole marketing is based on communication, especially with a customer. Customers are increasingly diversifying in purchasing power, demographic, psychological and other characteristics of which we come out during market segmentation. They are looking something unique, they are more exacting.

At the same time there are constant changes of life style, especially in connection with the rise of leisure time, non-working time. For example, until recently people wear one tracksuit for different sports. Today the situation is different. People are more engaged in sport, new sport discipline required special shoes and clothes exists.

Thanks also to fashion, prestige of branded goods etc. we have take into account a characteristics of a client and work with it globally, look for mutual relations and differences.

Sales force is growing not only thanks to electronic innovations, but also broadcasted worldwide marketing approaches. Investments are placed in foreign markets, new foreign associates are attracted. We have greater visibility of customer requirements, its decision-making and relationships to brands.

The emphasis on innovation and product quality leads, i. a. to the shortening of product life cycle, creating new categories, new brands, etc. The product is viewed as a form of relationship with customer.

Marketing communication is one of the very frequent but also less clear problems in the current marketing theory and practice.

Marketing can be universally understood as the initial concept to successful operation of organizations in market conditions. This is therefore a comprehensive approach which includes economic, cultural, political, legal, natural, social, technical and other areas.

Unfortunately, as our businesses are disproportionately used to exaggerate the role of advertising in contemporary advertising practice, and vice versa they do not know, do not appreciate often more effective procedures such as public relations.

Their helpless and unilateral focus on advertising is in its effect on customers successful. Results of public opinion research and market knowledge of consumer behavior should also become an essential basis of our marketing communications. And not only that. They should precede the preparation of marketing communication.

Marketing business plan requires more than producing a product, setting a price and delivery to the customer. A company needs to inform its customers about new product, its

price and properties etc. It must communicate with its customer. A company communicates not only with final consumer but also with its suppliers, dealers, public and agents. Each company is inevitably built into the role of the author and promoter. For many companies the question is not whether to communicate, but rather for them is the question - what to whom and how they should say it.

Marketing communication mix consists of five main tool of communication:

- **Advertising:** a paid form of non-personal presentation and promotion of ideas, goods or services of a particular investor.
- **Sales promotion:** a set of short term incentives which should encourage a customer to try or buy a new products or services
- **Public relations:** program for improving, protecting or maintaining of corporate image or a product
- **Personal selling:** meeting face to face with one or more potential buyers for a product presentation, answering questions and obtaining orders.
- **Direct marketing:** usage of mail, telephone, fax, email and other impersonal means of contact for immediate reporting and getting direct answers from a survey of customers and their opinions.¹

Communication is not a purposeless matter. It gave a rise to another very important tool of marketing mix - stimulation. Stimulation is a form of communication between seller and buyer. Its purpose is to promote the sale of a product or service. Communication can not be left to chance and marketing professionals must be familiar with its principles.²

¹ KOTLER, P.: *Marketing a management* (9. přepracované vydání), Praha, Grada Publishing, 2002. ISBN 80-7169-600-5

² SVĚTLÍK, J.: *Marketing – Cesta k trhu*, Zlín (2. vydání), EKKA, 1994.

1.1 Principles of marketing communication

Marketing communication is very often focused on overcoming ignorance, creating an image of a bridging preferential gaps in the target market. But his approach to marketing communications but has some limitations. It influences very short time, it is too expensive and the majority of this type of communication is received by the wrong people.

Nowadays there is a shift in understanding of the communication process, which is now seen as a long term process of control and regulation of customers' shopping in all phases: before the sale, during shopping and consumption and after consumption.

The essence of marketing communication is the transmission of information between a source and a recipient. Nature of the communication depends on three important factors:

- **Recipient** - can be all possible buyers from a certain segment
- **Message** – the aim of message can be an attempt to attract attention of customer, information about products etc.
- **Form of communication** – in marketing there is five basic forms of communication: advertisement, sales promotion, personal selling, public relations and direct marketing

1.2 Process of communication

Basic model of communication has five elements: source, coded message, medium of transmission, decoded message and receiver or audience.³

Source – a person, group, or organization with a meaning it wants and tries to share with an audience

Receiver – the individual, group, or organization that decodes a coded message

Coded message – a product of coding process – converting meaning into a series of signs

³ PRIDE, William M.; FERRELL, O. C. *Marketing*. tenth edition. New York : Houghton Mifflin Company, 1997. 666 s. ISBN 0-395-83793-6.

Medium of transmission – the means of carrying the coded message from the source to the receiver

Decoded message – product of decoding process – converting signs into concepts and ideas

Feedback – the receiver's response to a message

Noise – whatever reduces a communication charity and accuracy

1.3 Types of communication

There is a lot of types of communication. Basic types are:⁴

- a) interpersonal communication – sender and receiver is the same person; monologue or dialogue
- b) interpersonal communication among people
- c) verbal communication – through words
- d) non-verbal communication – through gestures and signs
- e) intentional communication
- f) unintended communication
- g) concious communication
- h) unconcious communication
- i) group communication
- j) mass communication .
- k) intercultural communication – among members of different cultures

1.4 Advertising

When creating advertising and promotional marketing we must begin with defining the target market and buyer motives. Than can then proceed to the five major decisions, also known as the Five M:

⁴ MIKULÁŠTÍK, Milan. *Komunikační dovednosti v praxi*. první. Praha : Grada Publishing, 2003. 368 s. ISBN 80-247-0650-4.

- mission: aims of advertising
- money: How much money can we invest?
- message: What should be sent?
- media: Which media should be used?
- measurement: includes influence of communication on sale⁵

„Advertising is paid non personal communication about an organization transmitted to a target audience through mass media.“⁶

When a company decides on the advertising of its products they should prepare an advertising plan. The advertising plan consist of:

- aims of advertising
- budget
- message
- media

Effectiveness of advertising is very difficult to objectively measure and evaluate. Generally speaking, the efficiency can be assessed in relation to the objectives of advertising.

Some companies want to succeed on the market at any price and advertising can make biased information about the product or the competition. Given the facts and appointed a massive impact that advertising has on the public, its realization is increasingly governed by legislative amendments and regulations.⁷

1.5 Public relations

„ Public relations mean communication activities used to create and maintain favorable

⁵ KOTLER, P.: *Marketing a management* (9. přepracované vydání), Praha, Grada Publishing, 2002. ISBN 80-7169-600-5

⁶ PRIDE, William M.; FERRELL, O. C. *Marketing*. desáté. New York : Houghton Mifflin Company, 1997. 666 s. ISBN 0-395-83793-6.

⁷ SVĚTLÍK, J.: *Marketing – Cesta k trhu*, Zlín (2. vydání), EKKA, 1994

relations between an organization and its public.“⁸

Public relations were replaced with advertising in the past. Currently the public relations and advertising are two different tools, even though they are complementary. Public relations - one of the functions of management. Advertising - one of the functions of marketing.

1.5.1 Aims of Public relations

Aim of public relation is:

- improve the public's knowledge about planning and strategy of the company
- present accurate, most likeable, face the target audience,
- encourage and provide feedback between the audience and institutions, both currently and in the future,
- be attractive and retain distributors,

inform targeted audiences about changes in the prices of products, changes to the product itself or a change in product distribution etc.

1.5.2 Tools of Public relations

Publications - annual reports, brochures, articles, audiovisual materials, and business magazines and journals

Events - a major task of public relations is to invent and organize favorite events aimed at promoting the company, its products and employees.

- sponsoring, exhibitions, anniversary etc.

News - other tasks of public relations is to identify and create an interesting report on the company, its products and personnel

Speech – another tool for creating publicity of the company

Public services - the company can achieve a better reputation and by contributing money and time to charity. Large firms usually require their managers to promote social issues in areas where the company has offices and factories.

Identification media- companies generally have a material of non-uniform appearance,

⁸ PRIDE, William M.; FERRELL, O. C. *Marketing*. desáté. New York : Houghton Mifflin Company, 1997. 666 s. ISBN 0-395-83793-6.

which contributes to various confusions and does not contribute to the creation of unique identification of the company. In a society that is information overload, it is necessary to compete hard to attract attention. Therefore, companies should strive to achieve their unique visual identities. A clear and consistent identification signs should have all mail, stationery, brochures, banners, business forms, business cards, uniforms, clothing and vehicles.

1.6 Sales promotion

Importance of sales promotion in particular in times of economic recession continues to grow. Especially because enterprises in the market meet an increasingly competitive and individual products and brands are harder to promote the market.

Sales promotion is regularly used by smaller producers of these products. In its economic strength and low market share can not afford to stimulate sales of their products expensive advertising campaigns, as they do their much stronger competitors.

The objectives of sales promotion are mainly short term. In some case also helps to build a long-term goals, such as market share. The most common defined goals of sales promotion is to increase sales, stimulate customers to purchase larger quantities of product, etc.

To promote the sale of goods we can use various instruments. Their choice depends on the objective, which the company wants to achieve, on competition and their activities, cost and efficiency of used instrument and market. The main instruments for promoting sales to final consumers include samples, coupons, premiums, price incentives, exposure to goods, competitions and lotteries, gift and loyalty bonuses.

1.7 Direct marketing

We understand it as a direct communication with customers focused on selling goods and based on advertising. It is conducted by mail, telephone, television, radio, newspapers or magazines. There is direct link between the seller and the customer without any relays.

Direct marketing is the fastest growing part of retail market.

Stimulating of sales effected in such a manner is highly effective. A distinctive feature of direct marketing is that it focuses on selected customer segments. Nevertheless, it is a costly way but it is bearing fruit.

The reason is that the names, characteristics and other data relating to customers are stored in the database, and it allows for more efficient targeting. Personalized letter or phone call to the communication tailored to the interests and needs of the customer, in terms of sales is much more efficient.

Communication between the customer and the seller is a mutual and highly personal. Its desire is to build lasting relationships.⁹

1.8 Personal selling

„ Personal selling is a personal, paid communication that informs customers and persuades them to buy products.“¹⁰

Its aim is to achieve sales of a product or service. From previous forms of communication, i.e. advertising, sales promotion, publicity and direct marketing, differ primarily in that it provides direct communication between two people in the face.

It raises specific demands on workers who made personal sales, particularly sales representatives.

Before there is personal contact between a seller and a buyer the firm must to carry out in its marketing plan a market segmentation and market targeting. Then it can determine what type of customers will address. Each seller specifies business plan in his own plan. He determines which customers he would address, what are their needs and wishes. Personal selling process itself is largely carry out in six stages: exploration, contact, presentation, addressing comments, conclusion and further contact with the customer.

⁹ KOTLER, P.: *Marketing a management* (9. přepracované vydání), Praha, Grada Publishing, 2002. ISBN 80-7169-600-5

¹⁰ PRIDE, William M.; FERRELL, O. C. *Marketing*. desáté. New York : Houghton Mifflin Company, 1997. 666 s. ISBN 0-395-83793-6.

II. ANALYSIS

2 ANALYSIS OF MARKETING COMMUNICATION

In this chapter of my work I will deal with analysis of marketing communication in XY, spol. s r. o. I will analyze marketing communication from the internal and external view. It means I will divide it on internal and external marketing communication. Before I will go to the analysis of marketing communication of the company I will mention some basic facts about the XY, spol. s r. o. and carry out a SWOT analysis.

2.1 Introduction of XY, spol. s r. o.

The company was established in 1990 by P. L. a L. P. Initials of their names gave rise to the name of the company. In the course of time another three partners joined the company. It is a limited company. The seat of the company is near Luhačovice.

The company deals with selling of machines to medium and large agricultural companies and it is based on consideration that each farmer must rely on machines which help him to gain means of support.

The company deals not only with selling of machines and spare parts but also provides services for farmers such as agricultural services, complex maintenance of agricultural machines, sale of van Iveco.

From the very beginning the company emphasis quality services and fast delivery of spare parts. In order to fulfill this intention another branches were established – Hrubčice, Žďár nad Sázavou and Kroměříž. In these branches there are warehouses of spare parts and machine repair business. Through these branches the company sells and services of agricultural machines in the area of Moravia. Sale in Bohemia is accomplished by own sales representatives (company employees) and contractual business partners.

Among represented brands belong Great Plains, Köckerling, Land Pride, Kemper, Bergmann, Kioti, Wienhoff, APV, Tachel, ZDT, New Holland etc.

The company takes part in different events and trade fairs such as Techagro, Země živitelka, MS v orbě etc., hold open days and various demonstrations. It also propagates in newspapers and magazines such as Zemědělec (weekly), Farmář (monthly), Úroda (monthly), Agrární obzor (monthly), Mechanizace zemědělství (monthly), Zemědělský týdeník (monthly). The company also has its web sites. Different ways of company communication I will analyze in the next part of my thesis.

2.2 SWOT analysis

Each company should realize the sense of marketing and uses its tools especially in today competitive environment. Maybe it is amplified by entering the Czech Republic in European Union where nearly each company has its own marketing department or cooperate with companies specialized in marketing. Our companies have to react to that if they want to be successful. The aim is not only to produce but also to sell for which marketing is used. Nowadays almost each company can not exist without marketing much less so the company with the specific focus such as XY, spol. s r. o. is. Purchase of new machine means large investment for a customer, so the customer will longer look for information, think about buying, compare offers of potential suppliers etc. That is why the company should have as much as possible information about its customers so that it could meet their needs and influence them. Just be better than competitors. One of the tool for this is SWOT analysis and its subsequent implementation into strategy and management of the company. In the first part of this chapter I will process the analysis, in the second part I will sum it up and propose solutions.

2.2.1 Strengths and weaknesses of XY, spol. s r. o.

Table 1 – Strengths and weaknesses fo XY, spol. s r. o.

Strengths		Weaknesses	
S1	Market and customer knowledge	W1	Cost management
S2	Branches – it can be near the customer	W2	More difficult management of subsidiary and branches
S3	High knowledge of product management	W3	Predominant operative management of top management
S4	Centralization of accounting and finance	W4	Human resources and internal marketing
S5	Prestige among suppliers	W5	Irregularity of area coverage
S6	Capability of import into whole worlds	W6	Bad communication among branches
S7	Colleague relationships	W7	Bad operating of suppliers – no influence on them
S8	Diversification of suppliers	W8	Slow update of web sites
S9	Information system	W9	Uncontrolled cash flow
S10	Financial service provided to customer	W10	Five owners (slow decision process)
S11	Good coverage of area		

Source: own processing

2.2.2 Evaluation of strengths and weaknesses

The analysis shows that most of its strengths is more important than the weaknesses. It means that the company is competitive. Weaknesses which should be solved as soon as possible are cost management and management of cash flow. If the company will deal with finance it could save money and use them for development, increasing of competitiveness or eliminating of some weaknesses.

2.2.3 Opportunities and threats of XY, spol. s r. o.

Table 2 – Opportunities and threats of XY, spol. s r. o.

Opportunities		Threats	
O1	Nationwide coverage of the Czech Republic and Slovakia	T1	Influence of EU policy
O2	Enlargement of number of service centre in new areas	T2	Decreasing number of customers in the area of branches - merging
O3	Capital investment in commercial companies	T3	New dealers, competitors
O4	Entry to the new market – export	T4	Wooing staff
O5	Dominant position in services	T5	Exchange rates
O6	New representations	T6	Loss of dealership of some brands
O7	Enlargement of purchase of used machines	T7	Dependence on basic industry

Source: own processing

2.2.4 Evaluations of opportunities and threats

From the above mentioned table we can see that the opportunities are realistic. The company has strong background and good access to the capital and information.

As the most serious threats I consider the impact of EU policy and changes of exchange rate because the company can not influence them.

The overall position of the company in relation to the opportunities and threats appears to be better, because the company has rather large and the real opportunities and small threats.

2.2.5 Strategy of the company

From a SWOT analysis we can see that the company is doing better rather than worse. Some of mentioned weaknesses the company keeps it on record and takes measurements in order to eliminate or remove the weaknesses.

As I have already mentioned in its activities the company goes out from the facts that they sell the goods which helps the customers to gain means of support. Because of this they practice a tailor-made approach to a single customer. Tailor-made approach is practiced

especially in finance which is a problem for most of farmers. Farmers depend on nature and grants. That is why the company offers them different kind of financial help.

2.2.6 Summary and recommendation

To conclude this part of my work I would like to make some recommendation which results from SWOT analysis such as:

To solve the cost management and cash flow in the company – savings can be invested or used for another development of the company

To work out and implement appropriate manner of subsidiaries and branches – it could represent cost savings as well as saving of time

Regarding irregularity of area coverage and web administration the company has already solved it – they will establish new brand and a new web administrator will be employed

Regarding opportunities the company plans enlargement of used machine purchase and also enlarge it product portfolio – they started to sell four-wheelers which help customers to be mobile during their work

Entering new markets and expansion – the company should focus on this because it means big

Maintaining of strengths – the company should focus on maintaining of strengths in order to these strengths will not become weaknesses

2.3 Analysis of internal marketing communication

The essence of this part of my thesis is to analyze the internal marketing communications of the company.

For evaluation of quality of internal marketing communication and finding new approaches to communication within the company is essential to know the opinion of the company's employees. That is why I worked out an anonymous questionnaire which consist of 14 questions. The questionnaire were sent to all employees of the company which means I address 110 employees.

2.3.1 Setting a goal of internal marketing communication analysis

A research is focused on ascertaining employees' view on marketing communication in the company and level of internal communication between management of the company and its employees.

The aim of the research is to analyze the present marketing communication, find out deficiencies in internal marketing communication and make suggestion for improving of communication in this company.

2.3.2 Number of respondents

So that the survey was objective I addressed all employees of the company including the executives. Nowadays the company employs 110 employees. Among addressed employees were sale representatives, service engineers, warehousemen, administrative staff and members of top management.

Unfortunately, only 53 employees filled in a questionnaire which is a half of all addressed employees. The reasons for this were illness of some employees, reluctance against filling in a questionnaire but also fear the questionnaires could get to the management of the company.

Most of respondents answered all questions. Evaluation of questionnaires is processed in Microsoft Excel. Evaluation also contains graphs and tables which should help to better clearness and explanation of surveyed phenomena.

2.3.3 Interpretation of survey findings

As the questionnaire did not answer all employees I will consider that 53 employees constitute 100 % of respondents.

Sex of respondents was found out by the *question No. 1 – What is your sex?* As we can see in the table No. 1 number of men prevails. The situation is the same also in reality.

The following table shows a structure of respondents involving in the research according to sex.

Table 3 – Structure of employees in XY, spol. s r. o. according to sex

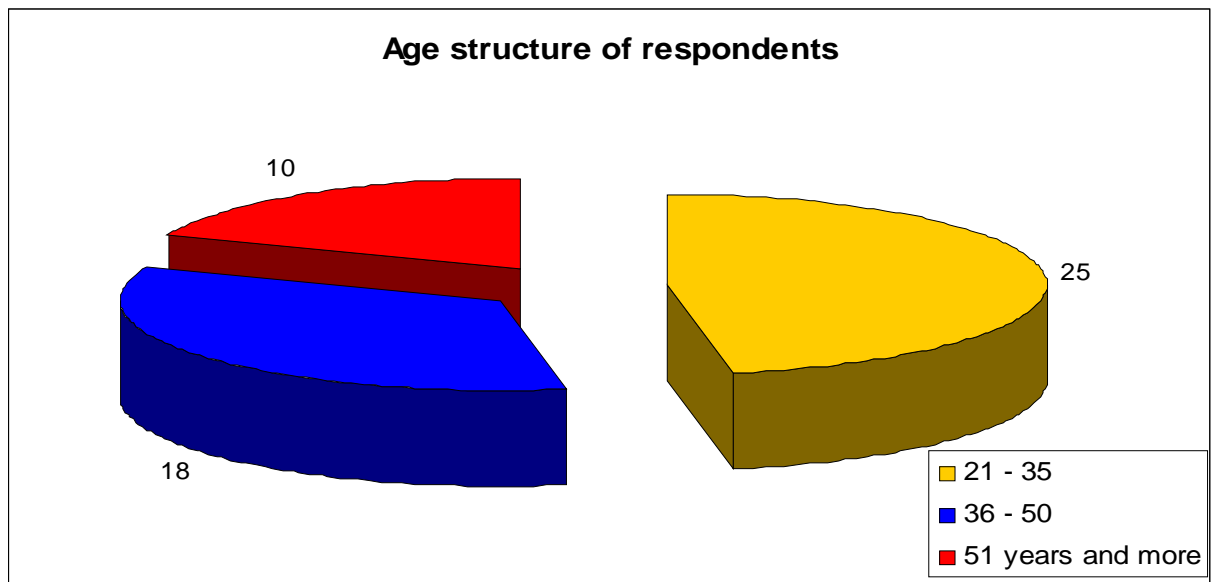
Sex	No. of employees
male	38
female	15
Total	53

Source: own processing

The company employs 18 % of women and 82 % of men. This breakdown is clear from the objects of the company. Completed questionnaires represent responses 72% of men and 28% of women.

Respondents were divided also according to their age which was found by the *question No. 2 – How old are you?* Age structure of respondents is shown in graph No. 1.

Graph 1 – Age structure of respondents



Source: own processing

The most numerous group of employees represented those at the age of 21 – 35 years which constitutes 47 % of respondents. Another numerous group consisted of employees at the age of 36 – 50 years which means 34 % of respondents. The less numerous group was

employees at the age of 51 years and more. These data indicate that the company employs mostly young people.

Next question in my questionnaire was **question No. 3 – What is your position in the company?** The aim of this question was to divide the respondents according the position they have in the company. As well as in the previous question the respondents had given possibilities. The table No. 2 shows the position of respondents.

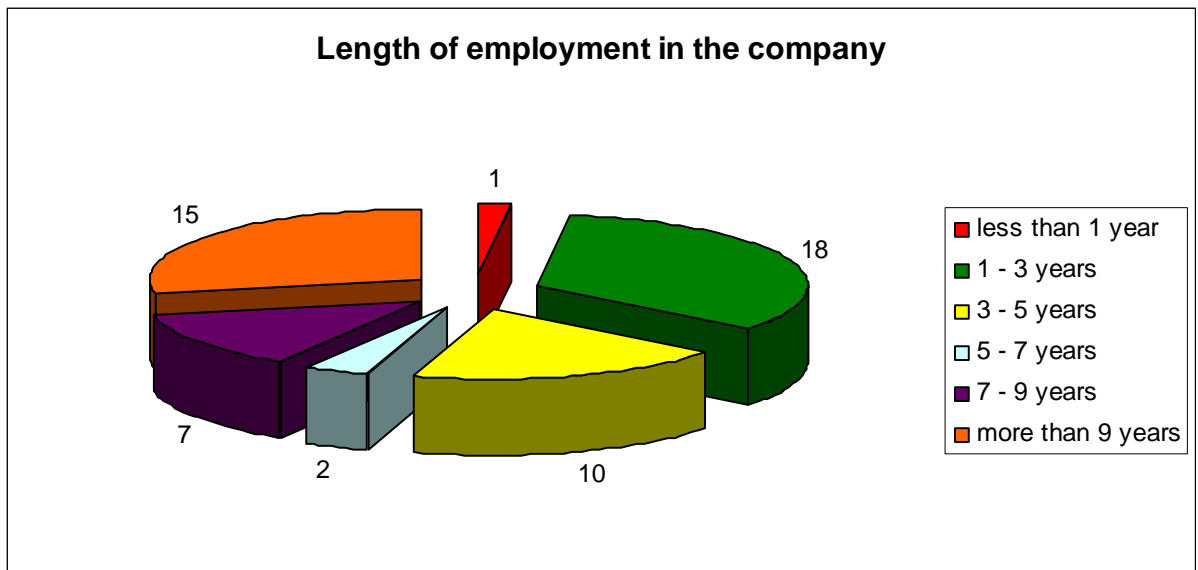
Table 4 – Position of respondents

Position	No. of respondents
Administrative staff	19
Service engineer	12
Production, warehouse	7
Sales representative, product manager	7
Managers	6
Others	2
total	53

Source: own processing

The most numerous group of respondents who took part in the research represents administrative staff (36 %). Service engineers constitute 23 % of respondents , employees in production and warehouse represent 13 % of respondents as well as sales representatives and product managers. Managers were 11 % of total respondents. The smallest group was other employees who constitute 4 % of respondents.

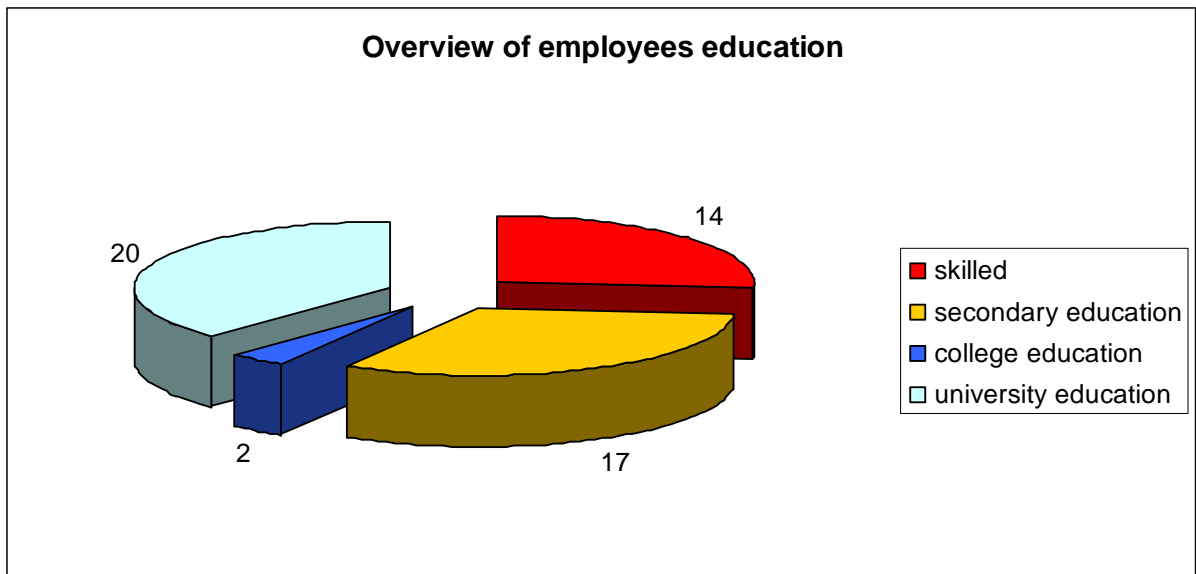
A task of the next question was to determine how long the respondents have been working in the company. This was found by the **question No. 4 – How long have you been working in the company?** The results figure graph No. 2.

Graph 2 – Length of employment in the company

Source: own processing

Graph No. 2 shows a structure of employees according to the length of their employment in the company XY, spol. s r. o. The most numerous group consists of employees who work for the company 1 – 3 years. These employees represent 34 % of respondents. The second most numerous group is a group of employees who work for the company more than 9 years. Among these employees belong especially owners and their members of family. These employees form 28 % of respondents. Another significant group constitutes workers who are employed in the company for 3-5 years. These employees represent 19 % of respondents. 13% of respondents are employees working in the company 7 - 9 years. The smallest group of respondents were represented by employees who work in the company 5-7 years or less than 1 year. This finding shows that the company has not many permanent employees and the fluctuation of employees is frequent. devoted to the company are primarily the owners and few employees who stood at the birth of the company.

Question No. 5 – What is your education? The question was focused on employees' education. Results are shown in graph No. 3.

Graph 3 – Overview of employees' education in XY, spol. s r. o.

Source: own processing

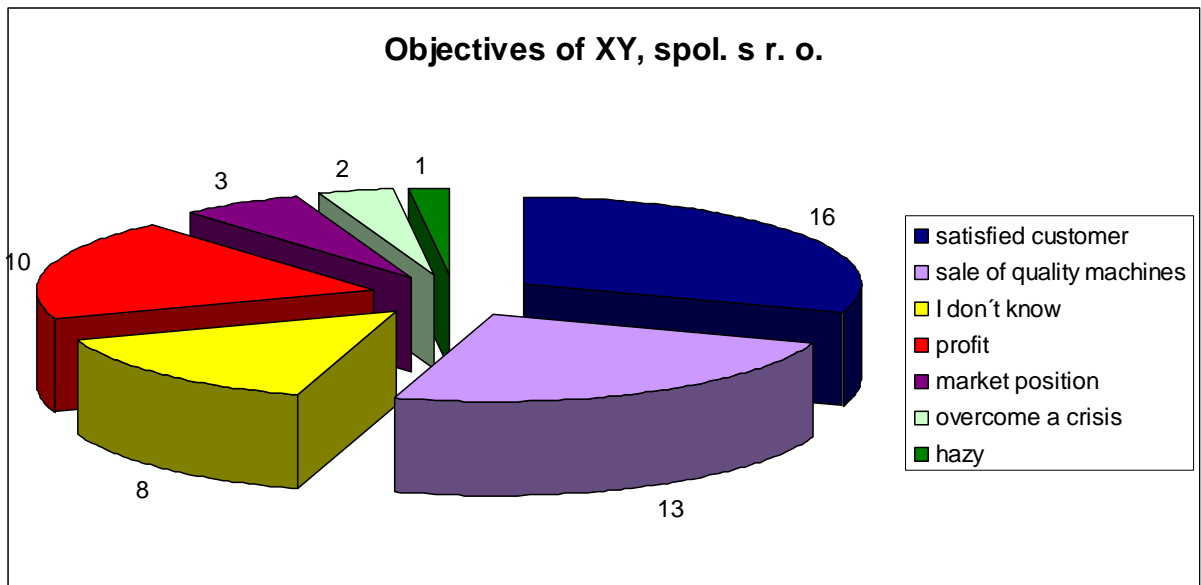
The above mentioned graph shows that the most respondents has university education (38 %), 32 % of respondents achieved secondary education and 26 % of respondents are skilled workers. 2 respondents working in administrative achieved college education.

Question No. 6 – What is the objective of the company? The aim of this question was to determine the familiarity of the employees to the company. This question was open.

The answers to this question were varied and it seems that even those who have written something, mostly fighting. In the graph No. 4 below we can see the evaluation of the response to this question. According to the management of the company the objectives are: retention and subsequent increase in market share, survival in the current economic crisis and providing good service to customers.

According to the respondents the objective is – satisfied customer (30 %), sale of agriculture machines (24 %), good market position (6 %), profit (19 %), survive the crisis (4 %). One respondent think that the objective of the company is hazy and eight respondents do not know the objective of the company. It means that 17 % of respondents have no notions about the objectives of the company.

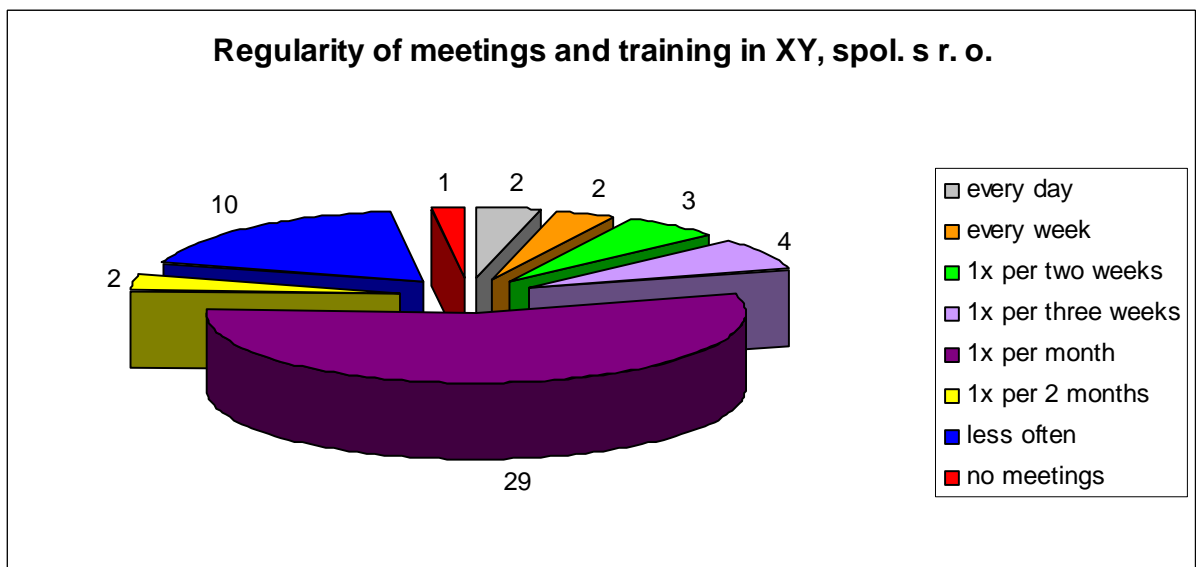
Graph 4 – Objectives of XY, spol. s r. o. according to their employees



Source: own processing

The aim of the *question No. 7 – How often does your company organizes training and conferences?* was to find out how often the employees of the company are informed about course of event in the company and about changes. This question offers some possibilities of response. The respondents usually stated they have a meeting one time per month (55 %), less often (19 %), one time per week (7 %), one time per two weeks (6 %), every day (4 %), one time per three weeks (4 %), one time per two months (4 %) no meetings (1 %). Regularity of meetings and trainings is shown in graph No. 5 below.

Graph 5 – Regularity of meetings and trainings in XY, spol. s r. o.

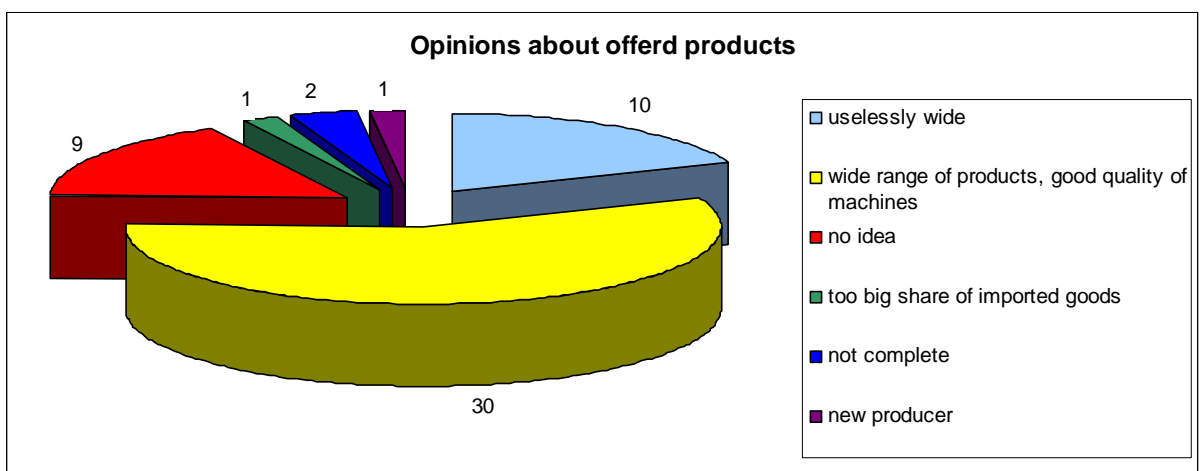


Source: own processing

The survey shows that most respondents have a meeting at least one time per month. Regularity of meetings and training depends on the work position of employee. At least one meeting a month should be a rule for all positions.

Question No. 8 – What do you think about the products? was open. Most respondents think that the products offered by XY, spol. s r. o., is wide, quality, people can rely on the products (57 %). On the other hands 19 % of respondents consider the range as uselessly wide and think the company should specialized in a certain kind of products. 17 % of respondents have no opinion about the range of goods, 4 % of respondents think the range of goods in not complete. It means the company can not satisfied all its customers. 2% of respondents would welcome a new producer and the same proportion of respondents proposed to reduce the share of imported goods from abroad, because of lack of facilities and organizations. Answers of the respondents shows a graph No. 6

Graph 6 – Opinions of respondents about products offered by XY, spol. s r. o.



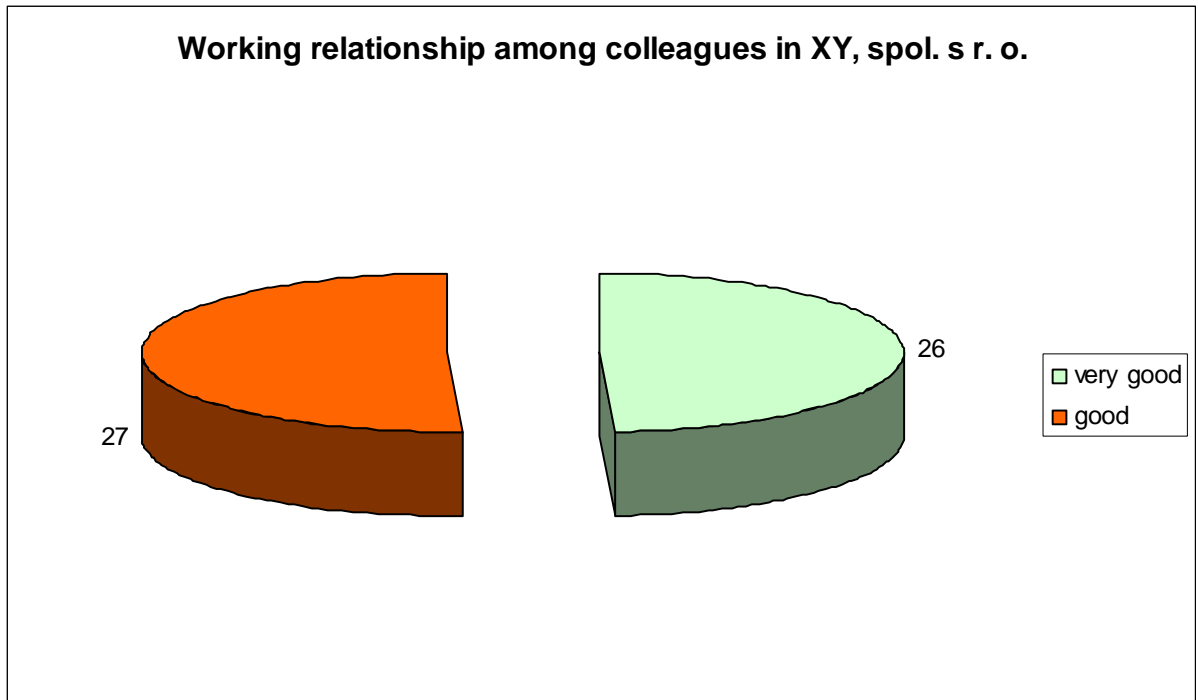
Source: own processing

Among respondents who are satisfied with the offered range of products belongs especially sales representatives who are in touch with customers. Their answers reflect the response of customers to the products offered by the company which is definitely positive.

Question No. 9 – What is your relationship with your colleagues? For this question the respondents had a choice of ready answers. According to a survey the relationships are very

good (49 % of respondents) or goods (51 % of respondents). No respondent chose the answer „not good, bad“. The evaluation reflects graph No 7.

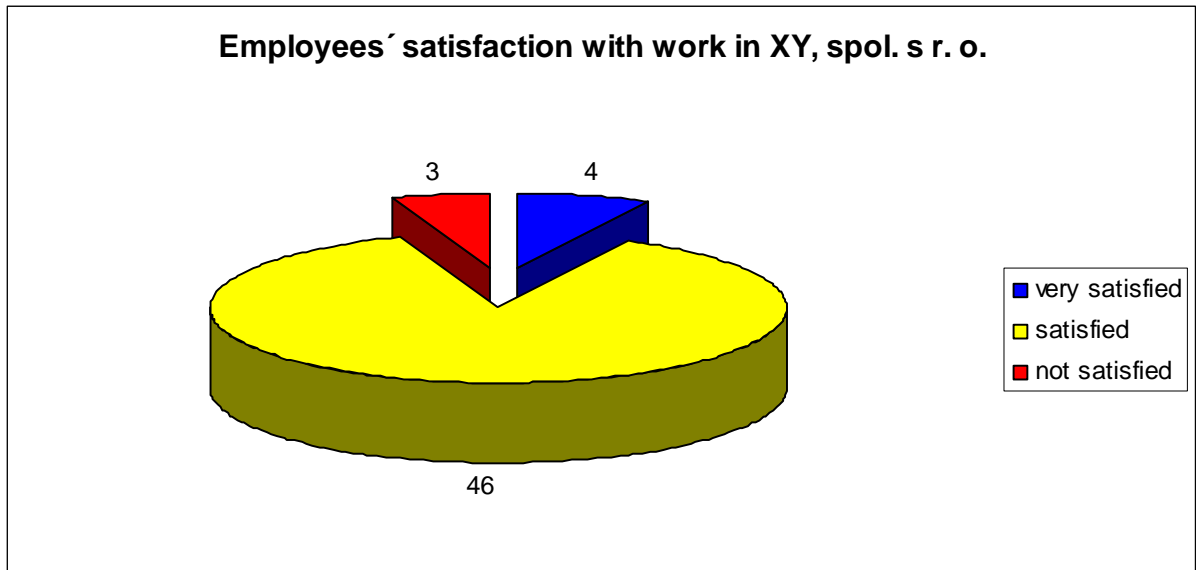
Graph 7 – Relationship among colleagues in XY, spol. s r. o.



Source: own processing

Question No. 10 – Are you satisfied with the work in the company? The aim of this question was to find out if the employees are satisfied with the work, working environment etc. Most respondents is satisfied with the work. 87 % of respondents belongs among satisfied employees, 7 % of respondents are very satisfied with the work and 6 % of respondent is not satisfied. It means that 94 % of respondents is satisfied which is very positive information. Graph No. 8 shows this finding in more details..

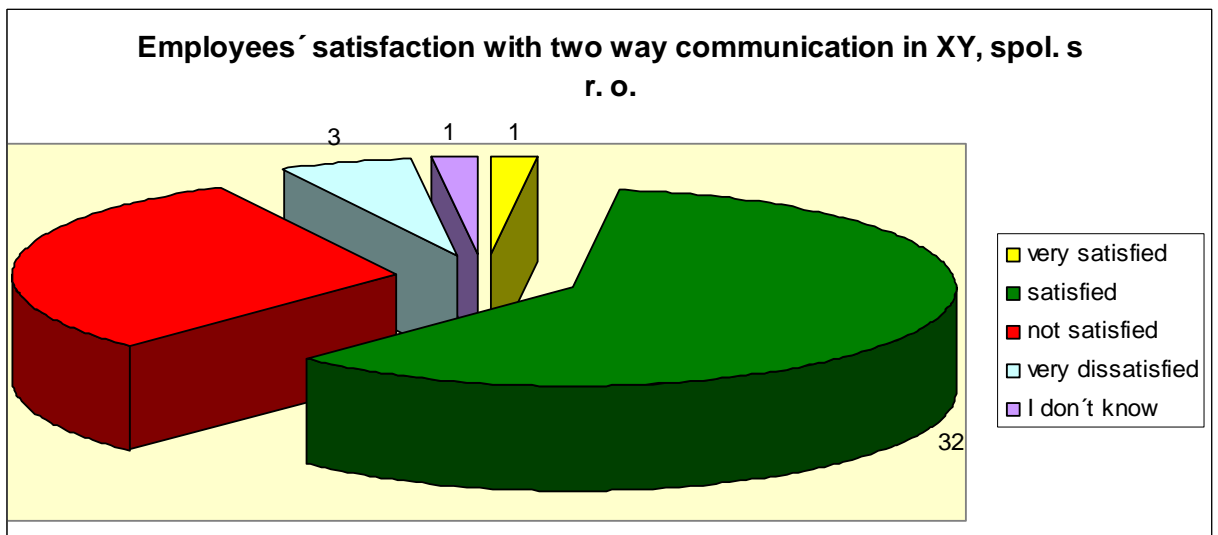
Graph 8 – Employees’ satisfaction with the work in XY, spol. s r. o.



Source: own processing

Question No. 11 – Do you think that the two ways communication is working in the company? Graph No. 9 shows how the employees evaluate the two ways communication.

Graph 9 – Employees’ satisfaction with two way communication in XY, spol. s r. o.

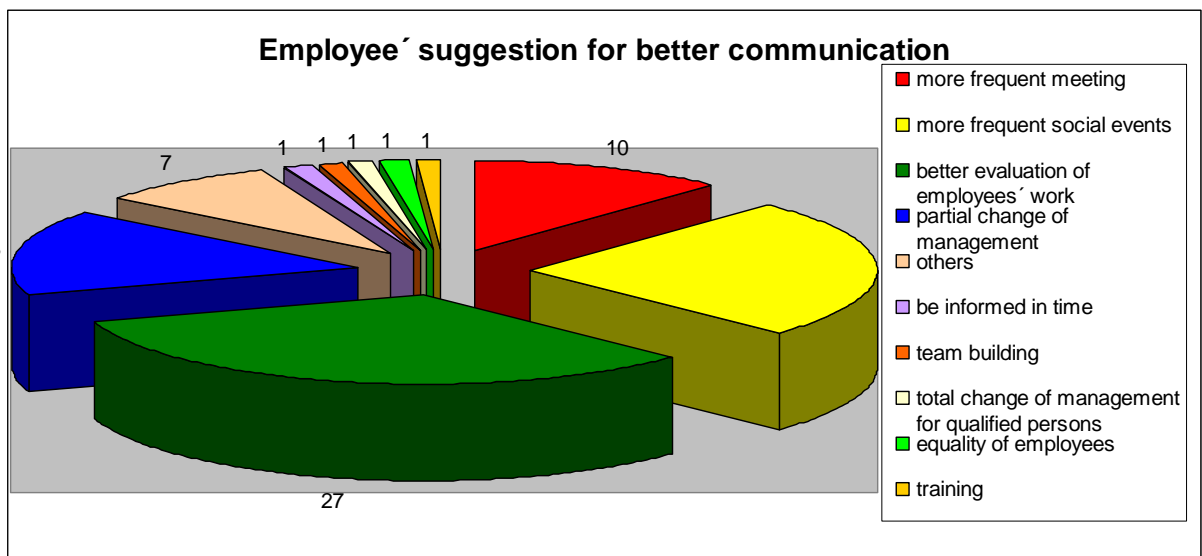


Source: own processing

60 % of respondents is satisfied with the present two ways communication, 30 % of respondents is not satisfied with the communications, 6 % of respondent sis very dissatisfied, 2 % of respondents are very satisfied and the remaining 2 % of respondents are not able to judge this kind of communication.

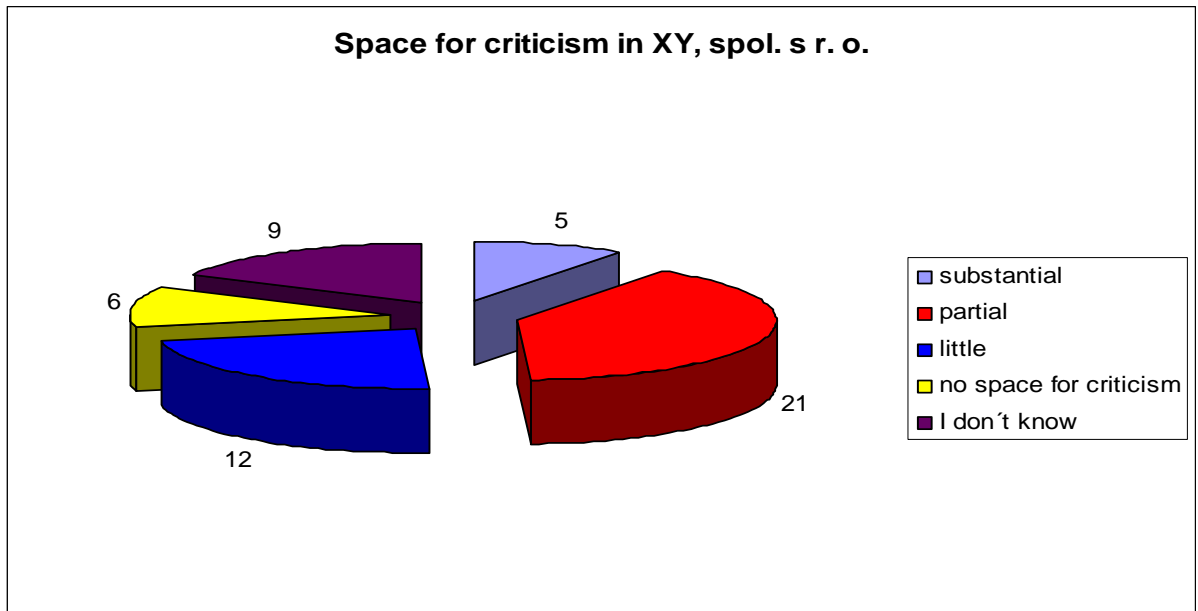
Question No. 12 – What would you suggest for improvement of internal communication in the company? This question was open that is why the number of answers do not correspond to number of respondents. The graph below shows employees’ proposals.

Graph 10 – Suggestion for improvement of internal communication in the company



Source: own processing

The answers to this question were various. More than a half of respondents suggest improvement of their working evaluation, 40 % of respondents suggest more frequent social events, 24 % of respondents propose partial change of executives, 19 % of respondents suggest more frequent meetings, 13 % of respondents suggest another solution and 2 % of respondents see solution in training, equality of employees, total change of executives, team building events and having all information in time.

Question No. 13 – Do you have any space for criticism in the company?**Graph 11 – Space for criticism in XY, spol. s r. o.**

Source: own processing

In total 40 % of respondents understand the space for criticism as partial, 23 % of respondents as small, 17 % of respondents is not able to judge it, 11 % of respondents have no space for criticism in the company and 9 % of respondents has substantial space for criticism.

Question No. 14 – What would you encourage to higher performance? What do you miss in company policy? This question was open, that is why the number of answer is different from number of respondents. The table No. 3 shows the answers of respondents.

Table 5 – Proposals for higher staff motivation

Answer	Frequency of answer
Evaluation of work - recognition	3
Better financial evaluation	28
Repayment of overtimes	2
Good cooperation	1
Good atmosphere	1
Equality of employees	3
Better awareness and communication	5
Possibility of expressing opinions + feedback	2
Not filled in	8
More benefits	1
Education	3
Better solving of problems	1
Keeping a promise	4
Better working environment	4
Clear rules and their compliance	5
Better organization of work	2
Marketing, system, strategy	2

Source: own processing

Most respondents would be motivated by better financial evaluation, better awareness and communication, working environment, keeping a promise, setting clear rules and their compliance.

2.3.4 Summary

From the analysis above we found out the following information:

- According to employees the objective of the company is: satisfied customer (30 %), sale and service of agricultural machines (24 %), profit (19 %), good market position (6 %), overcoming a crisis (4 %). One respondents think that the objective of the company is hazy and 17% of respondents do not know the objective of the company.

- The company holds meetings for its employees: once a week (55 %), less frequent (19 %), 1x per three weeks (7 %), 1x per two weeks (6 %), once a week (4 %), 1x per two months (4 %), every day (4 %), no meetings (1%).
- Opinion of respondents about offered products are different. 57% of respondents think that the product range is wide, duality and reliable. On the other hand 19 % of respondents consider the range as a uselessly wide, 17 % of respondents have no opinion about it, for 4 % of respondents the product range is not complete, 2 % of respondents would welcome new suppliers and another 2 % suggest to decrease a share of imported goods from abroad because the company have not proper background and organization.
- Working relationships of employees are very good (49 %) or good (51 %).
- 87 % of respondents are satisfied with the work in the company, 7 % of respondents are very satisfied and 6 % of respondents are dissatisfied
- 60 % of respondents are satisfied with the present level of two ways communication in the company, 30 % is not satisfied, 6 % of respondents are very dissatisfied with the present level of communication, 2 % of respondents are very satisfied and 2 % are not able to judge this kind of communication.
- Respondents make proposals for more effective internal marketing communication such as: better working evaluation (more than 50 %), more frequent social events (40 %), partial change of executives (24 %), more frequent meetings (19 %), another solution (13 %), training, equality of employees, complete change of members of management for qualified persons, team building and information in time (2 %).
- In total 40 % of respondents has partial space for criticism, little (23 %), no space for criticism (11 %), substantial (9 %), 17 % of respondents are not able to judge it.

2.4 Analysis of external marketing communication

In this part of my thesis, I will deal with external marketing communications, as the name suggests. External marketing communication in this case means business relationships with the public, as the company presents to suppliers, customers and the general public.

Many people deal with external marketing communications in the company. In addition to a worker whom the company employs at the position of head of advertising, marketing in

the company resolves all members of top management. In the past the company had a marketing department, which fall under the above mentioned head of promotion, but also the marketing director. After a year of its operation the top management noticed any results, so the marketing department was dissolved.

In my opinion, every company should have its own marketing department, or at least one employee who would be engaged in marketing. Of course the number or size of the marketing department depends on the size of the company. The following subchapters summarize the current state of marketing communication in the XY, spol. s r. o. and propose solutions that would lead to the visibility of the company and improving its marketing communications.

2.4.1 Analysis of the current state of external marketing communications in XY, spol. s r. o.

As I have already mentioned the company has no marketing department. Unfortunately, the company have neither a unified marketing strategy or plan. The only regular plan is the plan of advertisement for next year. Other events are usually planned operationally during the year. And I think that is a big mistake. The company spends huge amount of money to some sort of marketing communication, but unfortunately it is not under control and inefficiently. In table 4, we can see the marketing costs for the period 2005 - 2009.

Table 6 – Marketing costs in 2005 – 2009

Kind of cost	Year				
	2005	2006	2007	2008	2009
advertisement	1 142 336,00	840 537,00	3 375 791,00	1 764 156,00	918 543,00
demonstration	750 364,00	634 605,00	1 201 855,00	2 641 153,00	127 164,00
propagation	3 214 513,00	537 074,00	679 145,00	562 452,00	318 880,00
Total	5 107 213,00	2 012 216,00	5 256 791,00	4 967 761,00	1 364 587,00

Source: own processing

Expenses on advertisement means a sum spent on advertising in above mentioned press.

Expenses on demonstration means a sum spent on demonstration of machines.

Expenses on propagation means the rest – leaflets, promotional materials, rental of advertising space tec.

Different types of cost I will mention in subchapters.

Advertisement

From this kind of marketing communication the company uses especially advertisement in newspapers and magazines. Among the press which publish advertisement of the company belong:

- Zemědělec (weekly)
- Farmář (monthly)
- Komunální technika (monthly)
- Mechanizace v zemědělství (monthly)
- Agrární obzor (čtrnáctideník)
- Zemědělský týdeník
- Obec a finance (published five times per year)

In these advertisements the company largely advertises specific machines, i. e. it focuses on promoting a specific brand.

Website

Since 2005 the company has used for its presentation also the website. Unfortunately, the websites are still the same without any changes. Information are not updated. Even the number of Internet users is still growing. Many customers calling to the company reference to its websites. But not always they are able to call the right person because of out-of-date phone numbers or information.

Demonstration, exhibitions and trade fairs

Company XY, spol. s r. o. participates and holds demonstrations for its customers and dealers. They also take part in trade fairs such as Techagro (which takes place every two years), Země Živitelka, Mistrovství světa v orbě, Urbis Invest, Polní dny, Den zahradnické techniky etc.

Sponsoring

Sponsoring has not any place in XY, spol. s r. o. yet. The only one sponsoring event of the company was contribution to purchase of car for charity in Luhačovice. From time to time the company gives financial contribution to various association whose member is an employee of the company.

Public relations

Public relations I analyzed in the chapter called Analysis of internal marketing communication. Regarding public relations the company has not amended this way of communication. Nevertheless, reputation in the eyes of the public would have been a benefit for the company.

Personal selling

XY, spol. s r. o. is a trading company which sells most of goods through personal sales. These are essentially machines and some spare parts as well.

The company employs 15 sale representatives. Another sale representatives cooperate with the company according to contract. The company also cooperate with another trading companies. Sales of spare parts is usually made by telephone or electronically. Bu customer may come in person to any branch of the company.

From the above analysis results the company has large reserves in marketing communications. In the following section I will try to propose solutions, which should lead to improved marketing communications.

3 SUGGESTION FOR IMPROVING OF MARKETING COMMUNICATION IN XY, SPOL. S R. O.

In this chapter I will try to make suggestion which could lead to better marketing communication in the company.

3.1 Suggestion for improving of internal marketing communication

It is obvious that the bigger the company is and has more difficult organizational structure the bigger its need of internal communication is. Of course, the communication can not be neglected in small and medium size companies. Employees of the company should be regularly informed about situation in the company. It is a fundamental error if employees learn new from external resources instead of from their superiors or owners. Such an approach not only has a bad impact on corporate image, but also gives employees no opportunity to represent the company to the public.

Company XY, spol. s r. o. recognizes the importance of internal communication, but they are still looking for an appropriate ways of conveying information. Its disadvantage is it has more branches. That is why they have to combine different ways of conveying information. In the time of financial crisis and related measures it is important to inform employees about changes and decisions in time. Unfortunately, this does not happen and employees receive information late or in the worse case never.

Although the company produces or offers high quality products at affordable prices, a problem may occur when a customer meets an unwilling and unpleasant seller, uninformed sales representative or a friend who works in the company and talks about it negatively. It is well known that bad news distributes fast and that unhappy man talk about his negative experience more than a satisfied customer.

As arose from the survey XY, spol. s r. o. do not have a good position in the eyes of its employees. The analysis revealed some positive things but also a lot of shortcomings that the company should try to remove.

Improving of internal communication should become part of a corporate strategy

Based on the analysis of internal communication within the company and theoretical findings I suggest the following solutions:

- ❖ Determination of internal communication strategy and setting of communication plan

- ❖ Awareness and clear goals
- ❖ Communication worker
- ❖ Informative meetings
- ❖ Informative notice board
- ❖ Social and cultural events
- ❖ Providing feedback and criticism

3.1.1 Determination of internal communication strategy and setting of communication plan

The aim of every company is to have a good image and reputation. Both can be effected if the company will communicate with its employees and public. Only well-prepared communication can be successful. It means that the company has to have a communication plan.

This plan represents a set of rules how we communicate with different group of people. Usually it is an official document or manual. This document is a result of managerial communication planning. In developing a communication plan we have to keep in mind that effective communication is clear, concise and understandable to all participants. Activities that will be proposed in the communication plan must be accepted by all employees and they must have it as their own and stick to them. We should not forget that this document will influence the whole atmosphere in the company.

3.1.2 Awareness and clear goals

The performed research shows that not all employees know what is the goal of the company. Employees have to know the objectives of the company or their changes if the communication should be successful. The objectives are set by the owners or top management. Only after the determination and unification of the objectives it is transmitted to all company employees. Employees have to trust the management and identify themselves with the objectives. If they do not trust the management they will not accept the objectives.

For these reasons it is necessary to inform everybody about the objectives, tasks, philosophy and mission of the company. Everybody should be not only informed about it but also know the objectives. Management should be entrusted with this task. Its members

should spread the information and gain feedback from the employees. If everything goes fine all employees will share one goal.

This proposal has not time or financial costs or risks. The only risk would be a disinterest or unwillingness of the management staff.

3.1.3 Communication worker

Another proposal for improving of internal communications in XY, spol. s r. o. is a communication worker who would be responsible for employees' awareness. It could be a worker directly inferior to CEO or personnel officer. For XY, spol. s r. o. it would mean to create a new position because nowadays they do not have neither personnel officer nor communication worker.

The work of this worker would be collecting, processing and transmission of information from top to bottom and vice versa. He would be a representative for employees as well as management.

The aim of work of this worker would be transmission of quality and well-timed information, employees should positively perceived objectives and mission of the company and feel part of company policy. If so, employees are motivated, and then it will affect their work.

It is often happen that staff is not informed or has misleading information, do not feel part of the company, and it is then reflected in their performance and presentation of the company at public.

The worker for internal communication should have good knowledge of the company and have good communication skills. The best alternative would be to chose this worker from the current employees.

Compared to the previous proposal there is a certain time and financial demands which will certainly pay off to the company several times e. g. in a form of improving working relations, relations between employees and management, employees will have good information on which they can rely.

3.1.4 Informative meetings

Performed survey revealed that most employees often have a meeting once a month. Unfortunately, especially methodical issues are discussed there. Employees are not

informed about the objectives, achievements, etc. If the meeting is hold only once a month there is not enough space to discuss all relevant matters and no time for discussion and questions of staff.

Each meeting may have a different goal, but each must be well prepared to fulfill its purpose. Therefore, I propose operational meetings which would not last longer than half an hour and take place at the beginning of the week. Staff would be in frequent contact with management or superiors, they would be informed of recent and upcoming events. They would also have the opportunity to clarify any discrepancies or problems.

The benefit of this proposal should be better awareness and sharing of values and decisions of the company by employees.

Time and financial costs of this proposal is almost without change, it would represent only reorganization of staff' work.

3.1.5 Informative notice board

Informative notice boards are now neglected means. In XY, spol. s r. o. it is the same. Also nowadays notice boards are an appropriate means for communicating information. The advantage is especially easy insertion and updating of information. These notice board should be placed somewhere where employees pass by and could learn new information. The company would entrust a person with responsibility for these boards. It could be communication worker but inasmuch as the company has several branches the better will be chose one person from each branch and entrust him with it. Information would be timely and constantly updated.

Financial costs of this proposal are not high. In terms of time demands, it is only an updating of notice boards. The only risk of this proposal is that employees will not be interested in these notice boards.

Another possibility could be „electronic“ notice board. The company had previously purchased Microsoft SharePoint, which was primarily used for information purposes. But as time went on it became duplicate records of data from the accounting software. The advantage of this proposal would be that information is managed by one employee. But that is the disadvantage of inaccessibility to all employees, especially service technicians who do not normally have access to a computer.

3.1.6 Social and cultural events

As it was indicated from survey the employees miss this kind of events. Social events are an informal means of internal communications that strengthen relationships and linkages between employees and offers the opportunity to relax away from work.

The aim of these events is to build a sense of belonging with the company, its culture, strengthening team spirit, increase employee motivation and loyalty. The events may take the form of cultural, sporting or other events where we can see the management of the company in other, different situation. In XY, spol. s r. o. organizes event called "Sports Day" every year. Unfortunately, this is the only event of this kind. During this events various sporting activities where employees are included in the teams according to the branches.

I propose that there should be one person responsible for it who divides the staff into teams. The team should consist of staff from different branches. People get to know each other and establish friendly relations.

Unfortunately, not always the management of the company participate in this event which is in my point of view fundamentally wrong. Events are planned several months in advance, so there is a possibility of adapting other events and meetings.

One event per year does not seem appropriate. Therefore, I propose to organize more events, whose form could be decided by the employees. They would chose the kind of action they like. It did not occur to them then that the participation in this events is compulsory.

3.1.7 Providing feedback and criticism

In many cases it happens that the internal communication is focused only on transmitting of information but not on feedback. Anyone who transmits any information should be given feedback on how the information was taken and whether it will all understand as was intended. It does not occur the misunderstanding and incomprehension then. Feedback shows the company possible improvements and innovations.

The person who usually gives feedback works in the process, its components and his suggestions and opinions are usually among the best. Unfortunately, it is usually like this - management comes up with a procedure without "advising" with the employee who is well-

versed. And after its implementation is found out that it does not work, or there is something wrong with it.

Communications in XY, spol. s r. o. should be based on continuous surveys and feedback of views and ideas of employees. The company can more gain than lose. Without the feedback the company can not established a sense of belonging and gain support from their employees.

The employees need feedback. If they do not get they usually start to think the worst and do not feel important for the company.

Feedback may take the form of praise, recognition or criticism. Praise can have a strong incentive effects. On the contrary if we want to criticize something we should do it carefully, because we do not call for rejection of the staff or defensive position.

Whether it will be criticism or praise, it should follow immediately after the event, to which it relates. The assumption is fair access of management and equal treatment with all employees.

The company should also learn to accept criticism, not only to grant it.

If the company complies with all of this, it will certainly improve. Employees will feel like a part of the company. This will be reflected in their performance and satisfaction.

That is why I would recommend the following tips for the management of the company:

- Be interested in opinions of their employees
- Find and provide feedback
- Ability to accept criticism
- Criticism must always be justified
- Prevent criticism with a clear, complete and correct assignments and rules

The benefit of good criticism and acceptance of criticism from employees and respecting their views will lead to the consolidation of relations.

3.2 Suggestion for improving of external marketing communication

Although the company has been at the market for almost 20 years in marketing it still has large reserves. To improve its marketing communication, I propose the following actions:

- Work out a marketing strategy and marketing plan
- Establishment of marketing department

- Demonstrations
- Training of workers in the field of communication
- New websites
- Public relations
- Machines on display
- Cooperation with schools, organizing workshops

3.2.1 Work out a marketing strategy and marketing plan

First of all the company should set its objectives and mission. Then they have to work out marketing strategy and marketing plan. Marketing strategy must be coordinated with strategy. The company was established in 1990's when there were not so many competitors. This has changed over time - the number of firms grew, we entered the European Union. All of the factors the company should take into account and respond to it. So far, it appears that the company had developed and reached a point where it stopped. It should realize, however, the market and customer needs are constantly developing like anything else. What worked before may not work in the future. This should have a management of the company in mind.

3.2.2 Establishment of marketing department

Surprisingly, the company in size of XY, spol. s r. o. does not have the marketing department or someone who would be fully engaged in marketing. One reason could be that the company is the exclusive importer of most brands.

So if a customer wants to buy the brand, so he could address only XY, spol. s r. o. The company should realize, however, that even this may change. More recently the company lost the exclusive representation of the two German brands. The reason was insufficient propagation and not providing sufficient background.

Several time the company held two events at the same time. So if a customer wanted to visit both he has to decide and choose one. If the company had a centrally controlled marketing such a situation would never have happened.

3.2.3 Demonstrations

As it was already indicated in previous marketing research, which I participated in the company, customers very welcome various presentations and demonstration of machines. Before they decide to invest money in a new machine, they want to try out the machine in their conditions.

I suggest the company to plan various presentations and demonstration throughout the Czech Republic, so customers have the opportunity to try a machine in their region and conditions. Thanks to these events the company could make a new contacts and become more famous. It is definitely more effective advertising tool than advertising in newspapers and magazines.

3.2.4 Training of workers in the field of communication

Since almost every employee in the XY, spol. s r. o. comes into contact with another employee or customers the company should arrange for its staff training in various communication skills. Most of them should be organized for a sales representative, because they present the company and is up to them and their communication skills if the customer buy a machine. Forget it certainly did not even have service technicians and warehouse workers should not be forgotten.

The impression that the customer makes about the company as a whole is also very important. Therefore, the company should organize the courses of communication among employees, not just how employees should communicate with a customer.

3.2.5 New websites

Its first and also the last website the company bought in 2005. Since then there have been no significant changes. More and more customers are referred to the website, that is why the company should focus on them. Often it is a sort of first contact of customer with the company. According to these websites the customer could make an impression upon the company.

As well as offered products are developing – new, more dynamic and faster machines – so the web site that presents the company should adapt. The company employs IT technician, so the regular updates of the web pages should be no problem.

3.2.6 Public relations

Regarding the identification media company XY, spol. s r. o. earn definitely a big compliment. The company has a unified sign of company vehicles, packages, stationery, banners, fleet, clothing for service technicians and sales representatives (if the company is involved in some events). Other instruments of public relations the company uses rarely or not at all. Therefore, I propose the company following:

- Annual reports – these reports also serve as a sale promotional materials
- Brochure – these could play an important role in the process of customer informing
- Articles – the company could use this way for informing the customers about previous and future events, about new products etc.
- Events – holding events for employees, public, customers or suppliers. These events offer informal atmosphere for better relationships. The company also can display its products or services.
- Sponsoring – sponsoring can be one of the way how to achieve a better reputation, but also raise awareness among the public about the company. The company should choose some projects on which they focus on and they will regularly attend them and contribute

Although public relations is not quick or guaranteed way how to increase sales but then business expenses invested in such activities worthwhile. If the company has a good reputation its products are sold more easily.

3.2.7 Machines on display

As the company can persuade many times the display of machines in the yard had always positive impact on its surroundings. Some people learn about company activities, other came to the company and were looking for more information about the displayed machine. Despite this findings the company put the machines back to the storage.

Based on the interest of customers I suggest to display machines again.

It is propagation for free.

3.2.8 Co-operations with schools and universities, organizing workshops

Another possible way how to be more visible is cooperation with schools or organizing of workshops or seminars. The company could offer an internship, possibility of writing

bachelor thesis or sponsor the school in its development. In addition, it would become known, so it could get even potential employees.

3.3 Summary

Suggestions for improving marketing communication could be to devise a number. I proposed the following suggestions for improving of communication:

- ⇒ Determination of internal communication strategy and setting of communication plan
- ⇒ Awareness and clear goals
- ⇒ Communication worker
- ⇒ Informative meetings
- ⇒ Informative notice boards
- ⇒ Social and cultural events
- ⇒ Providing feedback and criticism
- ⇒ Work out a marketing strategy and marketing plan
- ⇒ Establishment of marketing department
- ⇒ Demonstrations
- ⇒ Training of workers in the field of communication
- ⇒ New websites
- ⇒ Public relations
- ⇒ Machine on display
- ⇒ Cooperation with schools, organizing workshops

CONCLUSION

My bachelor thesis is divided into two parts – theoretical and practical. The first part is theoretical and consists of one main chapter in which I described importance of marketing communication, process of marketing communication, types of marketing communication and public relations, personal selling, advertising and direct marketing.

The second part is divided into several chapters. At the beginning of this part I introduced the company XY, spol. s r. o., then I carried out a SWOT analysis. The substantial part represents analysis of marketing communication in the company XY, spol. s r. o. I focused on internal as well as external marketing communication. Analysis of internal marketing communication is based on a questionnaire I worked out and sent the employees of the company. Analysis of external marketing communication is based on my knowledge, company materials and information from top management of the company.

The last chapter of my bachelor thesis is devoted to the suggestion which could be done for improving of marketing communication of the company.

Time I spent with writing of this bachelor thesis brings me new findings about the company I work for but it also brings me new knowledge and experience.

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PIII QUESTIONNAIRE

1) What is your sex?

- male female

2) How old are you?

- less than 20
 21 - 35
 36 – 50
 50 and more

3) What is your position in the company?

- administrative start managers
 serviceman sale representatives, product manager
 production, warehouse
 others

4) How long have you been working in the company?

- less than 1 year 5 – 7 years
 1 – 3 years 7 – 9 years
 3 – 5 years more than 9 years

5) What is your education?

- elementary education college education
 skilled university education
 secondary education

6) What is the objective of the company?

.....
.....

7) How often does your company organizes training and conferences?

- every day 1x per month
 every week 1x per 2 months
 1x per two weeks less often
 1x per three weeks no meetings

