

Marketing communication in company Ton a.s., Bystřice pod Hostýnem

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ABSTRAKT

Cílem této bakalářské práce je zhodnotit současnou marketingovou komunikaci vybrané společnosti a na základě její analýzy navrhnout možná zlepšení. Práce je rozdělena na teoretickou a praktickou část. Teoretická část se zabývá hlavními pojmy marketingu, marketingového mixu a důležitostí integrované marketingové komunikace. V praktické části je představena samotná společnost a je analyzována jeho marketingová komunikace. Na základě této analýzy, dotazníkového šetření a SWOT analýzy jsou představeny návrhy na možné zlepšení současné marketingové komunikace společnosti.

Klíčová slova: Marketingová komunikace, komunikační mix, propagace, reklama, osobní prodej, vztahy s veřejností, přímý marketing, podpora prodeje, event marketing, SWOT analýza, internetový marketing

ABSTRACT

The aim of this bachelor thesis is to analyse current situation of marketing communication of a company and according to this analysis give suggestions for improvements. Thesis is divided into theory and analysis. The former part deals with definitions of marketing and marketing mix, describes individual tools of marketing communication and its importance to be integrated. The latter part consists of introduction of a company and analysis of its communication mix. On the basis of analysis, questionnaire survey and SWOT analysis are introduced recommendations for improvements of current marketing communication.

Keywords: Marketing communication, communications mix, promotion, advertising, personal selling, public relations, direct marketing, sales promotion, event marketing, SWOT analysis, internet marketing

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INTRODUCTION

It is not only necessary for a successful company to offer quality products and services but also to have the ability to effectively use all kinds of communication tools in order to attract enough customers and generate a desire in them to buy a particular product. Due to the growing number of product categories on the market it is becoming difficult for customers to differentiate between single brands. Marketing communication can without any doubt help to increase brand awareness and build relationships with customers which may lead to higher product demand and raise in profits.

Any competitive company should be aware of the constantly changing communication environment where marketers are moving from mass media to integrating all communication tools into communication mix. Another significant change that can be considered is the use of the Internet during the last decade and its influence on current marketing. Customers can easily access information about products, compare them and make purchases; on the other hand companies can gather information about individual customers in order to find out about their needs and desires.

The objectives of this bachelor thesis are to analyse marketing communications in company Ton a.s. and to recommend possible improvements based on this analysis.

Before I start my analysis I would like to establish the following hypothesis:

The company Ton a.s. is one of few Czech companies with a long tradition that maintains its visible position on the market while using all types of marketing communications. However, while there is some company awareness, its promotion is insufficient.

This claim will be supported on the basis of an analysis of the current marketing communication of company Ton a.s. and a questionnaire survey followed by SWOT analysis. The questionnaire survey will determine company awareness and promotion effectiveness. Based on these and other collected information, the strengths and weaknesses of the company will be analysed. Finally, suggestions for improvements of current situation will be recommended.

I.

THEORY

1 MARKETING

Generally marketing is understood as a process of selling and advertising. But marketing is more than that. Selling and advertising are only some parts of marketing that is called a marketing mix. Marketing helps to provide directions for production. It also makes sure that the goods and services will find their way to customers. (Cannon, Perreault and McCarthy 2008, 4)

According to Armstrong and Kotler, marketing is defined as a social and managerial process. Through this process people or groups of people get what they need or want through creating and exchanging value with others. The job of marketing is also to build profitable relationships with customers. (Armstrong and Kotler 2005, 6)

Today, companies cannot survive just because they are running well. They must be excellent in order to succeed in a market which is full of competition in both domestic and international environment. Buyers face a wide range of products and services; they choose partners according to high quality products and services, additional benefits and the most favourable prices. Research shows that knowledge of customers and fulfilling their needs by best offers in the market lead to success of a company. The goal of marketing is to define target consumers and to look for the best way to satisfy their needs and desires with maximum efficiency in all operations. It represents a complex set of activities focused on target markets for which companies adapt their marketing programs. It is based on estimating and defining customer needs and making offers that leads to their satisfaction with the emphasis on long-term business relationships with customers. (Přikrylová and Jahodová 2010, 16)

1.1 Marketing strategy

The goal of marketing strategy is to achieve profitable and strong relationships with customers. Marketing strategy analyses the market and divides it into particular segments. After dividing a market into segments the marketers decide which segment is the most promising and create a marketing mix. In order to find the most suitable marketing strategy and mix the company takes part in marketing analysis, planning, implementation and control. These activities help the company observe and adapt to the forces in the marketing environment. (Armstrong and Kotler 2005, 53)

1.2 Market selection

The responsibility of manufacturers and sellers is not only to create value and meet customer needs and desires. It would be foolish to assume that in today's modern society the needs and expectations of all people are the same. This is why companies divide diverse individuals with various interests into a number of different groups and make up a strategy that will fulfil the needs of particular segment. There are included three steps in this process. (Solomon, Marshall and Stuart 2006, 191)

1.2.1 Segmentation

Market segmentation is a process of identifying specific groups of buyers based on their needs, attitudes and interests who might require a separate marketing program. A market segment is a group of individuals who share distinctive attributes and respond similarly to marketing offers. (Clow and Baack 2008, 104)

1.2.2 Target marketing

Target marketing is a process during which sellers evaluate the attractiveness of potential market segments. It is decided which of the possible groups can generate the best customer value and then retailers agree on financial resources that will be invested. This group is then called a target market. (Solomon, Marshall and Stuart 2006, 204)

1.2.3 Positioning

Positioning is an effort to distinguish one company's products from those of competing brands. Its goal is to achieve a strategic advantage in the market and present desirable products in the mind of target customers. (Armstrong and Kotler 2005, 54)

1.3 Marketing mix

Marketing mix is described as an appropriate combination of four basic marketing tools that stand at the heart of a company's marketing programme. If happens that one of these tools is not appropriate, the marketing program may fail and company may not gain profit as it should. Marketing mix consists of "4P" – product, price, promotion and place. (Mackay 2005, 12)

Before marketing managers develop marketing mix, it is essential to do some research. Marketing managers search information about a target market they chose as the most appealing. Furthermore are interested in gender, age, ethnicity or preferences for a product.

With all these information marketing managers can come up with appropriate product with reasonable prices that customers would be willing to pay. (Pride and Ferrell 1997, 14)

1.3.1 Product

The term product is generally understood as something that has undergone a manufacturing process. However, marketing considers as a product anything that could be bought or sold. It could be products, services, licences, and many others. Marketing also assumes that a product is not only bought by customers for its basic purposes but for its attributes such as brand, package and design. The reason is that some products can evoke the idea of prestige. (Boučková et al. 2003, 137)

1.3.2 Price

The price is the amount of money that is required for the transmission of product and services from suppliers to consumers. Company uses price in order to maximize turn-over and ensuring brand image among consumers. Price also generates income. (Clemente 2004, 21)

1.3.3 Promotion

As indicated on the Marketing Teacher Web site, promotion is a set of activities described as marketing communication that is responsible for communicating the marketing program that leads to persuading a customer to buy particular product or service.

1.3.4 Place

Products should be available to consumers at the target market place. A channel of distribution is a channel through which a product reaches a consumer. There are direct and complex channels. The differences between them are that a direct channel is used between a producer and a final consumer only, while a complex channel may involve other person such as retailer or wholesaler. There may be used more distributional channels when a marketer is involved in more target markets. (Armstrong and Kotler 2005, 57)

All marketing mix elements are equally important; none of them can be omitted because they make part of a whole. Together, they all create tactical tools through which the company achieves its objectives. (Armstrong and Kotler 2005, 57)

2 MARKETING COMMUNICATION

A modern company needs to communicate with their agents, consumers and different target groups. Agents communicate among themselves and with other groups in order to exchange information that they have heard. Each group also provides feedback to all others. Therefore a company must work with a complex communication system. (Armstrong and Kotler 2005, 400)

The purpose of marketing communications is to force a potential customer to make a decision and act upon it. One of the most important means of communication is *word of mouth*. People are not interested in advertisements or articles in magazines, they want to talk and exchange information among themselves. They need others' advice and recommendations as well as they have the urge to warn their friends and relatives about bad products. (Mackay 2005, 19-20)

Objectives of marketing communication are usually one of the most important managerial decisions. Objectives must be based on strategic marketing objectives and head clearly for strengthening a good corporate reputation. Traditional objectives of marketing communication are:

- provision of information
- creating and stimulating demand
- product differentiation
- emphasising of benefits and value of products
- stabilization of turnover
- strengthening a corporate image (Přikrylová and Jahodová 2010, 40-41)

2.1 Communication mix

According to Kotler and Armstrong “A company's total marketing communication mix – also called its promotion mix – consists of the specific blend of advertising, sales promotion, public relations, personal selling, and direct marketing.” (Kotler and Armstrong 2006, 427)

2.1.1 Advertising

Advertising has been known since ancient times. It is the most visible and most important tool of marketing communication mix. Companies spend lots of money on it annually and

no other marketing activities are believed to cause so much public discussion and contradictions. (Pesmacker, Geuens and Van den Bergh 2007, 192)

Other authors claim that “advertising is a paid form of persuasive communication that uses mass and interactive media to reach a broad audience in order to connect an identify sponsor with buyers (a target audience) and provide information about products (good, services, and ideas).” (Mariarty, Mitchell and Wells 1998, 55)

One of the biggest advantages of advertising is the ability of control. That means if there is a possibility that a message is about to have a negative effect on a brand it can be pulled immediately and marketing managers can think of another means of promotion or develop another advertising strategy. The disadvantage of advertising is its cost. For some small businesses it is very expensive to buy space in magazines or to pay for an advertisement on television or radio. Advertising focuses on a target audience and the objectives are change in their knowledge, attitudes and behaviour. The other aim of advertising is to make customers to buy a product that they have never bought before and to generate long-run purchasing behaviour in order to increase sales. (Fill 2009, 483-495)

2.1.2 Sales promotion

Sales promotion is a part of a communication mix that lasts only a limited time. It is not surprising that promotion that encourages sales only has short-term goals. The objectives of sales promotion are:

- increasing sales
- finding new types of products and services
- selling excessive goods
- stopping competitors
- catching up with competitors (Smith 2000, 264)

In a growing number of product categories are offered more and more brands and products. It is becoming difficult for customers to distinguish between brands based on their exclusive quality. It is important to differentiate between single brands. Sales promotion may be a useful tool for obtaining brand awareness of target groups and persuading to purchase a particular brand. Reaching customers through advertising is becoming more and more difficult due to communication chaos where advertising is sometimes difficult to notice. (Pesmacker, Geuens and Van den Bergh 2007, 354-355)

Some sales promotion may be relatively ineffective and some may even damage the manufacturer in terms of brand or profit. Offers such as *buy two for one* can increase sales

in the short-term but it is difficult to say what effect it will have on long-term purchases. Some offers can attract only disloyal customers who switch to another brand as soon as an offer comes to an end. (Smith 2000, 262)

Where there are used too many offers of discounts, customers can easily start to doubt the quality of products or services. Too frequent usage of sales promotion can lead to the consideration of a brand as a cheap and therefore affect its market position. (Pesmacker, Geuens and Van den Bergh 2007, 360)

Customer sales promotion may be in forms of contents, price discounts, gifts, demonstration of products or free samples of goods. (Smith 2000, 262)

Exhibitions and trade shows

Another means of sale promotion can be considered exhibitions and trade shows which are places where manufacturers and retailers of specific product categories or industry meet to discuss business, promote and demonstrate products and services, exchange ideas and opinions, and build new relations with potential customers. (Pesmacker, Geuens and Van den Bergh 2007, 440)

Participating in exhibitions or trade shows enables people to become familiar with new products and developments, make comparisons or place orders. And unlike other media, exhibitions and trade shows allow direct contact with exposed products or services. This tool of communication mix can create an opportunity for participants to share feelings and product experiences with friends, customers, suppliers and others. (Fill 2009, 688)

It is difficult to clearly distinguish the definitions of a trade show and an exhibition. The trade show is usually defined as an economically oriented event in order to present real models that can be ordered or directly purchased. The exhibition is seen rather as a non-commercial event with a specific orientation – for example the World's Exhibition held in different countries. (Přikrylová and Jahodová 2010, 136)

2.1.3 Personal selling

There are both strengths and weaknesses that go along with personal selling. It allows a two-way interaction between the sales person and an individual customer that helps to create a long-term customer relationship. Sales people can get fast, direct feedback and the full attention of a buyer without any distracting noises typical of mass media and in order to these advantages have a great possibility to solve customers' problems. However, the cost of personal selling is extremely high. It is important for management to find a way to

communicate messages effectively and to spend the least amount of time as possible with customer. Personal selling cannot reach as many target customers as advertisements. It is necessary for marketers to control message delivery in order to avoid confusion or misunderstandings of product specifications. Poor and inconsistent communication can also put a new relationship with a customer in danger. (Fill 2009, 659)

All companies, regardless of size are dependent on sales activities. It is assumed that sales people are well-educated professionals who are ready to solve customers' problems immediately. These people must find an optional way to communicate with potential customers, which is not always easy, as some people may consider salespeople annoying, trying to interfere with their privacy. (Přikrylová and Jahodová 2010, 126)

2.1.4 Public relations

As indicated on the Resource Library Web site, the aim of public relations is to build good relationships with the company's various publics, create corporate image, handle unfavourable rumours and obtain publicity.

Public relations cost less than advertising and can have a strong impact on public awareness. Companies pay for people who develop interesting stories and manage events. If these activities are made public by different media it can have the same effect as advertising and company does not have to spend a fortune on space or time in traditional media. The result is that the message carries more credibility than paid media. (Armstrong and Kotler 2005, 429)

Despite the degree of credibility, the amount of control of actual content presented in media is very low. The story might be precisely prepared but as soon as the story gets to the editor of a magazine all control is lost. Various changes that are not agreed to by the management may occur and the original message may be destroyed. As mentioned above, the costs of public relations are minimal. For small businesses, it is a great opportunity to effectively develop their visibility on the market at a low cost. (Fill 2009, 566)

2.1.5 Direct marketing

Direct marketing is different to mass marketing. Mass marketing targets broad markets while direct marketing focuses on narrowly defined segments or individual buyers. (Armstrong and Kotler 2005, 459)

The traditional communication channels of direct marketing were catalogues, mail order, and telemarketing. With development of the new media electronic commerce and

communication through the Internet, e-mail and text messages became increasingly important. All of these new media changed the whole direct marketing industry rapidly. (Frey 2008, 85)

Table 1. Advantages of Direct Marketing

Advantages for buyer	Advantages for seller
simple and fast purchase	direct and faster addressing customer
convenient selection and purchase of goods from home	precise targeting
wide selection of goods	building long-term relationships with customers
credibility of communication	measurability of responses to advertisement and sale success
privacy when purchasing	keeping back from competition
interactivity, instant feedback	possibility of personal sale

Source: Data from Přikrylová and Jahodová 2010, 95

The other benefit that direct marketing provides is access to global markets. Through the internet, buyers can get goods that cannot be reached through other channels. Due to all these advantages, direct marketing is becoming the fastest-growing form of marketing. (Armstrong and Kotler 2005, 460)

2.1.6 Sponsorship

Sponsorship can be defined as a commercial activity. Companies contribute to local communities and as a result they want to be seen as caring and involved in local affairs. A company tries to build brand-awareness through sponsorship. Sponsorship raises interest of media. (Fill 2009, 600)

Any part of society can be sponsored. It could be any individual or event. The most commonly sponsored areas are sport, art, education, society and media broadcast. Sponsorship offers an effective way to reach different target markets. The objectives of sponsorship are:

- increasing of brand awareness
- maintaining relationships with customers

- increasing of sales in the market
- positive publicity
- differentiation of products from competitors
- creating an emotional experience (Smith 2000, 344-348)

Sponsorship was previously seen as a supplementary activity of advertising. This attitude has been gradually reconsidered and today sponsorship is becoming a significant part of a marketing mix. The reason is that traditional advertising costs are rapidly increasing while their effectiveness is decreasing. (Přikrylová and Jahodová 2010, 132)

2.1.7 Event marketing

The concept event marketing is understood as the realization, planning and organization of an experience within corporate communication. These experiences are designed to cause emotional stimulation for a consumer by organizing different events promoting company image and its products.

EVENT MARKETING = EVENT + MARKETING

This figure expresses the principle of event marketing. The main characteristics are:

- special performance
- experience that is perceived by multiple senses
- communication (Šindler 2003, 22-23)

Event marketing is not a new approach. This kind of marketing communication is still undergoing dynamic development. Special events are used to build employees', dealers' and distributors' loyalty and to stimulate public relations. If these events are organized well, they can effectively reach its target group. It could be events connected with professional sport or festivals. The key problem is to find the right event among so many options. Main objectives of event marketing:

- change or strengthening of brand
- creation of attractive association with brand
- sales promotion
- gaining space for promotion
- sale of products
- introduction of a new product
- building new relationships with customers
- gaining contacts
- survey (Frey 2008, 77-79)

2.2 Integrated marketing communication

Clow and Baack describe integrated marketing communication as the coordination and integration of all marketing communication tools, channels and sources within the company into a comprehensive program that maximizes the impact on consumers and other final users at minimal cost. (Clow and Baack 2008, 9)

Pickton and Broderic simply confirm that marketing communication can become more effective than working as a sole member by integrating more promotional mix elements. For example a communication transmitted through television advertising is simultaneously transmitted through print and internet advertising. The reason is that each element supports the other. (Pickton and Broderic 2005, 22)

2.3 Changes in marketing environment

Communication environment is changing. Marketers are moving from mass marketing to more narrowly defined micro markets to build relationships with new customers and to specify customer needs. Television or magazines are media used by mass marketing, the change of marketing environment means that these means of advertising are now declining. Today, marketers are using a richer mix of communication channels and promotional tools. For a company it is important to integrate all communication tools carefully into a marketing communication mix. If the company does not do so, single elements of promotional mix may cause confusion or misunderstanding in consumers' mind. It has been proved that integrated marketing communications have a great impact on sales. (Kotler and Armstrong 2006, 430)

2.4 Internal communication

Internal communication is understood as in-house communication between the shareholders of the company and its management, as well as communication between management and employees and finally among employees themselves. Another task is to communicate with a selected target group within company such as a trade union. It is considered to be a mutual process of receiving and exchanging information and feedback at all levels of the company in order to provide a better understanding of views, attitudes and motivations of the communicating parties. The main aim of communication with employees is usually to build a sense of belonging and strengthen motivation for higher performance. (Přikrylová and Jahodová 2010, 115)

An intranet is often used for internal communication where knowledge and different information is shared. This private network improves communication through the spread information about human resources, marketing information, and management information. The sales team can share customer information, use e-mail, transmit documents, or update products. (Smith 2000, 478)

2.5 Digital age and marketing

Internet use has grown enormously during the last decade. No one can doubt its influence on the current market environment. The Internet is used daily for various purposes: communication through chats or e-mails, phone calls, or many people communicate through blogs. In addition to communication, the Internet provides opportunities to ensure customer service, collaboration and e-commerce. The Internet has also a huge impact on sales, marketing system and distribution. (Clow 2008, 387-389)

E-business

E-business uses various electronic platforms such as intranets, extranets and the Internet in order to implement corporate business activity. These technological innovations have dramatically increased the ability of companies to carry out work faster and more accurately, across time and space. The purpose behind company Web sites may vary with different companies. Many Web sites inform customers or promote products and services; other Web sites' purposes are to build and maintain customer relationships or to connect with new potential customers or purely to sell goods. (Armstrong and Kotler 2005, 485)

E-marketing

“In the broader context of e-commerce, e-marketing emphasizes the set of efforts by a firm that are focused on promoting its offerings and making them accessible to current and prospective customers by means involving electronic interactive communication. While e-marketing is often most closely associated with online marketing, as in marketing via the internet or Web, the scope of e-marketing and its applications continue to grow in areas including mobile communications, interactive television, and touch-screen electronic kiosks.” (Dacko 2008, 183)

E-commerce

“E-commerce is associated with online transactions such as selling and buying goods and services on the internet. Nevertheless, e-commerce refers not only to financial transactions but also to informational transactions. Customer may not only buy products but they can get information online from organization via e-mail. It is

important to differentiate sell-side e-commerce and buy-side e-commerce. Buy-side e-commerce is understood as a transaction between a purchasing organization and its suppliers while sell-side e-commerce is thought to be a transaction involved with selling products to companys' customers." (Chaffey et al. 2006, 11)

2.5.1 E-marketing domains

Business-to-customer (B2C)

On its Web site, the Marketing Terms states that B2C is a transaction, product or service provided to an end-user consumer online rather than through the business market. Business-to-consumer activity exists both online and offline.

Business-to-business (B2B)

"B2B is an online transaction that occurs between a company and another company, as opposed to a transaction involving a consumer. The term may also describe a company that provides goods or services for another company" (Investors Words)

Customer-to-business (C2B)

C2B commerce allows consumers to communicate with companies, send in suggestions, give feedback or initiate purchases. Some corporations let buyers to bid for their products and after reviewing their offers the sellers decide whether to accept it or not. (Armstrong and Kotler 2005, 492)

Customer-to-customer (C2C)

There are many Web sites on the internet that offer free auctions where individuals can buy sell or exchange goods directly with one another. The most well-known are eBay.com or Amazon.com that display almost any kind of products from electronics to antiques and can be resend worldwide. (Armstrong and Kotler 2005, 491)

Business-to-employee (B2E)

As indicated on the Darrell Hills Web site B2E is generally used by companies that offer their employees products and services by using internal networks.

2.5.2 Changes in buyer behaviour

“Consumer behaviour describes how individuals or groups select, purchase, use, or dispose of products as well as the needs and wants that motivate this behaviour.” (Moriarty, Mitchell and Wells 1998, 177)

It has been proved that the Internet is one of the three most consumed media. The other two are television and radio. Researches show that an audience tends to change its behaviour with the growing importance of the Internet. Online consumer behaviour has undergone dramatic changes. People research and then buy online products such as travel, cinema, or theatre tickets. For big purchases, finding jobs, or making investment decisions, the Internet is used mainly as a research tool. (Chaffey et al. 2006, 6)

Kotler and Armstrong claim that “with rapid advances in Internet and other connecting technologies, companies have grown skilled in gathering information about individual customers and business partners (suppliers, distributors, retailers). In turn, they have become more adept at individualizing their products and services, messages and media.” (Armstrong and Kotler 2005, 483)

2.5.3 Social media

Social media is online media where content is created and shared by users. Social media is constantly changing in the way users change its content and add various functions. By using social media marketers can find out customers’ needs directly, what their opinion about brand or company is, or what customers complain about and what they like. Social media is a place where an opinion about product is truthful. This is why it is gaining greater popularity and trust than traditional media is. People tend to believe advertising less and less. As a result, companies must start to engage in social media. The aim of advertising is not only to attract consumer attention, but also to encourage customers to come to a decision to buy. Today, the traditional media still plays an important role in attracting attention, but many people go on the Internet to verify the claims of advertising. (Janouch 2010, 210)

People use online tools in order to present their identity, to find others with similar interests, and to stay in touch with friends on the other side of the world. Today social media is becoming the first place where people turn for news, information or entertainment. People love logging onto their accounts and sharing information about their daily routine, future plans, or complaining about products or services they got. Therefore it is very important for marketers to engage with social media. What customers want is a

dialogue with a seller and to find out information about a product of their interest in the simplest way – from the comfort of their home. They also want to be involved, make comments about the brand, and give feedback. Marketers are already aware of the differences between traditional communication and social media. In the traditional communication marketers control the content of the messages of advertising, but in the social media they cannot do so. The only possibility is to keep track on users comments and feedback. This is a very difficult task because on Web everyone has access to discussions and everybody can participate. (Weber 2009, 16-30)

“Unfortunately, however, far too many entrepreneurs miss out on incredible opportunities like these because they fail to take advantage of inexpensive and easy-to-use web-based social media tools.” (Levinson, Meyerson and Scarborough 2008, 25)

2.5.4 Traditional vs. digital media

A big contrast is seen between traditional and new media. As we are already aware, traditional media, such as advertising, for example, is costly and space is limited. Space on the Internet is unlimited and the costs decrease with every single user of the Internet recorded as having been to a Web site. Digital media prioritize information over emotional aspects. They focus on one-to-one communication rather than to one-to-many. The objective is to build closer relationships with customers and to learn more about their specific needs. (Kotler and Armstrong 2006, 487)

In addition, the Internet allows a buyer easy access to information about products and the ability to compare them with others or to interact with sellers, ask questions, and provide them with feedback. Dealing between customers and sellers is direct and fast, and that often results in lower cost efficiencies. Nevertheless, there are differences between these new and old media, and it is essential to point out that both should be used together. (Fill 2009, 759)

2.6 SWOT analysis

SWOT is an abbreviation for a tactical tool that identifies firms’ strengths, weaknesses, opportunities and threats. Using the SWOT analysis results in obtaining complete information from market research. SWOT analysis provides both external and internal information. The objectives of internal analysis is to identify and evaluate weaknesses and strengths of a company and on the basis of identifying them to specify their benefits and to

make sure that the vulnerabilities of a company will not threaten the competitiveness of organization on the market. External analysis consists of external factors – opportunities and threats. (Tomek and Vávrová 2011, 83)

“A company’s strength reflects its core competencies – what it does well. Core competencies are capabilities that customers value and competitors find difficult to duplicate.” (Kurtz and Boone 2006, 47)

SWOT analysis enables companies to create strategies where they can implement the things that can do the best and at the same time avoid external threats that could decrease sales and company profit. (Solomon, Marshall and Stuart 2006, 38)

II. ANALYSIS

3 HYPOTHESIS

The competition on today's market is very strong and more sophisticated than it was a decade ago, when organizations use aggressive communications in order to reach as many customers as possible. Through marketing, companies may get people to change their minds, purchase products, or switch to another brand. In order to be able to do this it is necessary to have an idea for the brand, have the right attitude, and a passion to do business. Therefore organizations create a marketing plan; marketing is a slow process by which companies move competitors' customers to their place. This process takes some time, and it is necessary to stay focused and patient. There are a lot of opportunities in the outside world for companies to contact consumers. The result will be the consumer's awareness of brand and rise in sales. (Jay Conrad, Jeannie and Amy Levinson 2007, 4-15)

“Marketing is more of a science everyday as we learn new ways to measure and predict behaviour, influence people, and test and quantify marketing.” (Jay Conrad, Jeannie and Amy Levinson 2007, 4)

Ton a.s. has been maintaining its position as an exclusive manufacturer of bentwood furniture on the market since 1861. With its fine background, it is versed in basics of marketing and uses a vast array of marketing tools. Nevertheless, I do not consider its marketing communication sufficient, and I decided to prove this claim in the latter part of this bachelor thesis.

Before I start my analysis I would like to establish the following hypothesis:

The company Ton a.s. is one of a few Czech companies with long tradition that maintains its visible position on the market while using all types of marketing communications. However, while there is some company awareness, its promotion is insufficient.

On the basis of current marketing communication, questionnaire survey and SWOT analysis, this claim will be confirmed or disproven.

4 COMPANY PROFILE

As indicated on the Ton Web site, Ton a.s. is a bent-wood factory that was founded by Michael Thonet in Bystřice pod Hostýnem in 1861. At that time it, was one of the most advanced and innovative of design companies. Michael Thonet was a great innovator in furniture design and cabinet-making, and he was the first person to start to experiment with bentwood.

On its Web sites, the Ketterer Kunst states that his first workshop was founded in Boppard in 1819 and since then, his company has branched out under different names throughout the world, this institution has also survived the upheavals of two world wars and some disbandment.

The factory in Bystřice pod Hostýnem manufactured under the name Thonet from its beginning to 1953. Since then, the company has simply been known as Ton a.s. Ton a.s. can be considered to be one of the oldest places where furniture is still manufactured according the principles of its founder. (Ton)

4.1 Thonet legacy

As indicated on the Idnes Web site, Tomáš Baťa impact on today's industry and on the appearance of the city of Zlín is still recalled. But the Thonet family managed the same feat in the 19th century in Bystřice pod Hostýnem and its surroundings. Industrial production which could not be compared to any extent and quality production in Europe that time was brought to this region by building a bentwood furniture factory in Bystřice pod Hostýnem. Houses for prospective employees were built, just as Tomáš Baťa did. The company also paid for a railway from Hulín to Bystřice pod Hostýnem so the transport of material and goods could be simplified. Thonet was also the first company in the Czech Republic to set rules for logging and protection of birds in forests.

4.2 Ton today

Today Ton a.s. is a Czech joint stock company that blends together both traditional arts with new trends in furniture-making industry. Its products are exported to more than 60 countries worldwide. Cooperation with both experienced and young talented designers helps company to develop unique furniture inspired by the latest trends. (Ton)

Table 1. Basic information about Ton a.s.

Trade name	Ton a.s.
Seat of the company	Bystřice pod Hostýnem, Michaela Thoneta 145
Legal status	Joint stock company
Identification number	499 70 585
Statutory body	Board of Directors
Executive head	Ing. Milan Dostálík
Day of enrolment in the Trade register	January 1, 1994
Subject of enterprise	-Catering - Production of electricity - Production and distribution of heat - Operation of railway and rail transport - Cabinet making, flooring - Road transport - Accounting consulting, book-keeping, tax records

Source: Data from the Justice.cz

We can see in the table above that company takes part in other activities.

4.3 Awards

On its Web site, the Ton states that thanks to designers with innovative ideas Ton a.s. can take pride in having won many awards both in the Czech Republic and abroad. The most prestigious awards are:

- Interior innovation award for stand Tee and Chair 002 and bar-stool Rioja
- Red dot award for Armchair Merano
- Rocking Chair won Furniture of 2011
- Manufacturer of the year 2011
- Gold Key for Armchair Merano in Belgrade

4.4 Product portfolio

As indicated on the Ton Web site, Ton a.s. manufactures high quality furniture that is recognized worldwide. However, its range is not only chairs and tables but also many others. Company offers a special collection of furniture suitable for both household and commercial premises. Customers can choose from different shades of wood stain and

upholstery fabrics, leathers and eco leather. Chairs and tables from Ton a.s. can be combined with various supplements that can revive customers' imagination through any type of interior.

Range of products:

- chairs
- barstools
- armchairs
- tables
- children's furniture
- table tops
- garden furniture
- benches
- stands (Ton)

4.5 Market segmentation

Ton a.s. presents new furniture collection specializing both in customers' requirements and current trends. Products are divided into various collections depending on style or material used. Every collection focuses on different style of furniture, some are originally focused, some products are made of steel or plastic material. Senior collection, for example, is aimed at senior citizens and its requirements for comfort.

Collections:

- Design and wood
- Design and steel
- Thonet Universal
- Senior
- Basic
- Tables
- Papatya
- Chi Chairs (Ton)

5 COMMUNICATION MIX

Unlike other Czech significant companies Ton a.s. does not invest millions of crowns in mass media in order to reach millions of customers with single advertisement. Ton a.s. is trying to build closer relationship with customers in more narrowly defined micro markets. The dominance of television is declining today, and marketers at Ton a.s. are aware of the roles of various media and promotion tool. Therefore, are integrating various communication channels. Sometimes it happens that companies fail to integrate various promotional tools because different promotional mixes are planned or implemented by various departments. At Ton a.s. there is only one department that takes care about promotion so confusion within messages provided by different promotional tool is unlikely to appear.

5.1 Advertising

The objectives of advertising at Ton a.s. company are mostly to inform and remind customers. Any kind of advertisement tries to tell the market about a new product, without pressure to build a company image, remind customer where to buy it, and maintain awareness about the brand. Marketers at Ton a.s. are looking for a target group that reaches customers most effectively. Ton a.s. uses both electronic and traditional media. From electronic media, company applies radio and the Internet, from traditional media it is newspaper, outdoor and indoor advertisements. Limited financial resources do not allow Ton a.s. to invest in television advertisements that reach a mass audience and could easily create a brand image and increase brand awareness. Ton a.s. is moving large portions of its budgets to media that cost less and could possibly reach a larger audience.

Radio

Radio advertising is not as expensive as television advertising and can also focus on target groups. Through local radio advertising Ton a.s. provides regional campaigns promoting individual stores.

Radios promoting Ton:

- České Budějovice – Hitradio Faktor
- Jihlava – Hit radio Vysočina
- Jablonec nad Nisou – Radio Contact

(Ivana Kocourková, March 22, 2012, e-mail message to author)

Outdoor and indoor advertisement

The outdoor advertisements of Ton a.s. include billboards and city lights. These kinds of media are used to deliver a company's logo, slogan, and new information about products. Billboards and city lights are mostly placed in Prague and in centres of cities, such as Plzeň, Jihlava, České Budějovice and Jablonec nad Nisou, which are involved in local campaigns. The only indoor advertisements can be seen in the stores of company. Stands with leaflets and catalogues are placed within these stores. Stickers with logo of the company are glued in the interiors of stores. (Ivana Kocourková, March 22, 2012, e-mail message to author)

Newspapers and magazines

Newspapers can deliver readers detailed information about a company and its new products. Printed advertisements relating Ton a.s. products are usually put in daily press and various newspapers. The primary advantage of using magazines for advertising purposes is the ability to accurately hit the selected target group of potential customers. Ton a.s. usually puts advertisements into magazines about lifestyle or magazines specializing in living, housing and home-art. Here is a list of magazines where advertisements appear the most frequently:

- Dolce Vita
- Marianne Bydlení
- Elle Decoration
- Moderní Byt
- Rezidence
- Týden
- Reflex
- Era 21
- Esprit by MF Dnes
- German titles MD and Arcade

(Ivana Kocourková, March 22 and January 31, 2012, e-mail message to author)

5.2 Sales promotion

As mentioned in the theoretical part of the thesis, sales promotion helps to accelerate existing customers' purchases and attract new customers on short-term benefits basis. For Ton a.s., one of the most effective promotional tool is the demonstration of furniture in stores. With regard to other type of sales promotion, there was a consumer contest for three kitchens by the company Koryna last year. The contest took place within a local campaign and a customer who bought any kind of company product and filled in a questionnaire was included in a draw for a voucher worth 50 000 CZK on buying Koryna kitchen products. This contest lasted a month and three coupons were distributed.

In magazines Marianne Bydlení and Ona Dnes were advertised special offers called *Shopping with...*, where dozens of Czech companies were involved and provided discounts on special goods. The event was limited to one weekend and Ton a.s. provided a 20% discount on any kind of furniture. Ton a.s. also provides its customers with quantity discounts and promotional products which are gifts to customers. These gifts are divided into three categories. The first one is a cheap category also called a gift category where pens, calendars, key rings, and pastels can be found. In second category slightly more expensive gifts such as a set of pens or set of plum brandy is offered. The last category is the most expensive and includes gift boxes with alcohol and wine gift sets. These gifts are always provided with the company name and logo, the idea of gifts can help customers remember the advertiser's name and create a positive association with the company. For 150th anniversary of production (Ivana Kocourková, March 22 and January 31, 2012, e-mail message to author)

5.2.1 Exhibitions and trade shows

Exhibitions and trade shows are also considered to be a part of sales promotion. These are time limited regular events where a large number of retailers present their offer within certain product categories. Both mentioned events have effect on existing customers, business partners, and competitors. Events like this help to strengthen brand recognition. Ton a.s. participates in both national and international exhibitions, where companies from different countries present their brand and products. The reasons for participation in exhibitions and trade shows are as follows:

- building relationships
- monitoring competition

- demonstrating products
- establishing company awareness
- selling products
- finding new customers

As Ton a.s. participates in the most prestigious shows in Europe in the field of furniture and interior design, exhibitions and trade shows are a major and most effective part of communication mix. A special team is put in charge of organization of exhibitions and chooses a designer who creates the exposure. Apart from that, the team is responsible for renting space in exhibitions, delivering promotional products, and building a stand which must be controlled. The implementation of an exhibition or trade show requires a long preparation time, and it is also particularly costly. (Ivana Kocourková, January 31, 2012, e-mail message to author)

The most prestigious exhibitions of furniture are follows:

IMM Cologne

As indicated on the Facebook Web site, this year in January Ton a.s. presented itself at IMM Cologne, in one of the most important international exhibitions focusing on interior furnishing. Since 2010 Ton a.s. has been presenting in the Design Hall which is the most prestigious hall at the exhibition. The company brought their most promising exhibit to this exhibition – Tee Coat-Rack and Chair 002. Both products were awarded with the prestigious 2012 Interior Innovation Award. These awards give evidence for the practical usage and modern design of products. In addition to this, other products launched for 2012 and new catalogue with new colours and fabrics were presented.

Maison Objet and Wohnen & Interieur

On its Web site the Ton states that less important but still prestigious exhibitions took place, for example, in Paris – Maison Objet where company participated in the Czech selection project or In Vienna – Wohnen & Interieur which was also provided with new products, innovations and new designs.

For Furniture

As indicated on the Facebook Web site, in March, an exhibition called For Furniture with a project Design Shaker took place in Prague. This exhibition was focused on supporting

innovation and design where Ton a.s. also contributed. Leading Czech furniture manufacturers together with many interesting exhibits were also presented there.

Salone Internazionale del Mobile

On its Web site, the Facebook informs about another international exhibition of great importance that took place in April 2012 in Milan. Salone Internazionale del Mobile is an important Italian furniture exhibition. This exhibition takes place in different parts of Milan and is famous for its contemporary design and school. In addition to the exhibition, there are other presentations or workshops that can be attended.

5.3 Personal selling

Customers can buy products at stores located in the Czech Republic and in some important European cities. The shop assistants are given professional training that teaches them to effectively meet customers' needs and provide them with advice about products.

Showrooms

As indicated on the Ton Web site, there are two stores in Czech Republic called showrooms, where a huge range of products is presented. One of them is in Bystřice pod Hostýnem, located in the Thonet villa where family Thonet used to live, and where the marketing department offices are also located. This area enables customer to try all kinds of furniture and to have a look into the company's history. The second showroom is situated in Prague – Holešovice. The rest of the company's stores are located throughout the country. There are 16 stores in the Czech Republic, five stores in Slovakia, two stores in Germany and other stores can be found in Warsaw, Budapest, Belgrade, Sofia, Istanbul and Tbilisi. A common feature of all stores is their visual style. The overall look of the stores is the responsibility of designers.

5.4 Direct marketing

Just as other companies have, Ton a.s. has adopted direct marketing as a supplement for marketing its goods. Direct marketing can bring many advantages to both buyers and sellers. Buyers can easily and privately browse mail catalogues from their comfort of their home, a company's Web pages can provide buyers with information of various models of furniture, and customers can also easily order from the Web site. For a company, direct

marketing is a great opportunity to build customer relationship and get consumer responses. Ton a.s. provides the following forms of direct marketing:

Newsletters

Newsletters are sent to partners and customers irregularly but usually once every three months in order to inform them about new products, offers and sales announcements.

Catalogues

Thanks to their catalogue, the company is able to sell multiple products and offer a direct ordering mechanism. Every other year a new catalogue is issued. These catalogues are either in printed form or online. This year the catalogue has undergone a total change. New fabrics and colour staining are included. As part of the company's e-shop, there is also a mail order which works like every other e-shop. The only exception is that the company does not use another company's transportation service, but rather its own transportation.

Journal and leaflets

Every year the Journal is issued to introduce new products and designs for the year. Leaflets are placed in stores that inform customers about new products, sales and events. (Ivana Kocourková, January 31, 2012, e-mail message to author)

5.5 Public relations

Through public relations Ton a.s. builds company awareness and reminds customers about its position on market. The PR manager is in charge of communication with journalists and the preparation of press releases.

As indicated on the Ton Web site, many articles appear in magazines, newspapers, and online blogs. These media inform readers about awards that products have gained or exhibitions that were attended. Apart from appearing in articles about furniture and lifestyle, Ton a.s. gained a lot of press publicity for its 150th anniversary. News outlets such as the magazine Esprit, newspapers MF Dnes, Moravské Hospodářství, or the online server Lidovky.cz wrote about this occasion. In July 2011 Česká Televize visited the Ton a.s. factory and reported about chair development since the foundation of the company by Michael Thonet. The chair production process and a local exhibition about Michael

Thonet's legacy can be seen in this report. This report also discusses company's 150th anniversary.

5.6 Sponsorship

Sponsorship is an important part of marketing communication at Ton. The company contributes to various local communities and supports several non-profit organizations in social care. The main organization is Krtek, which is a facility focused on oncology and disabled people in Chvalčov. Ton a.s. helps this organization to realize their projects. By promoting interests in specific and meaningful matters the company can be seen as caring and involved in local affairs. The result of these activities is positive publicity and the creation of an emotional experience that can lead to customer loyalty. Ton a.s. is aware of the increasing importance of sponsorship. As evidence, the company will organize a tender where several organizations will be selected to be supported by Ton a.s. in the future. The traditional media are becoming very expensive and less effective. Apart from contributing to various organizations, Ton a.s. also sponsors sports and cultural events to build brand awareness and create positive associations with the company. (Ivana Kocourková, January 31, 2012, e-mail message to author)

5.7 Events

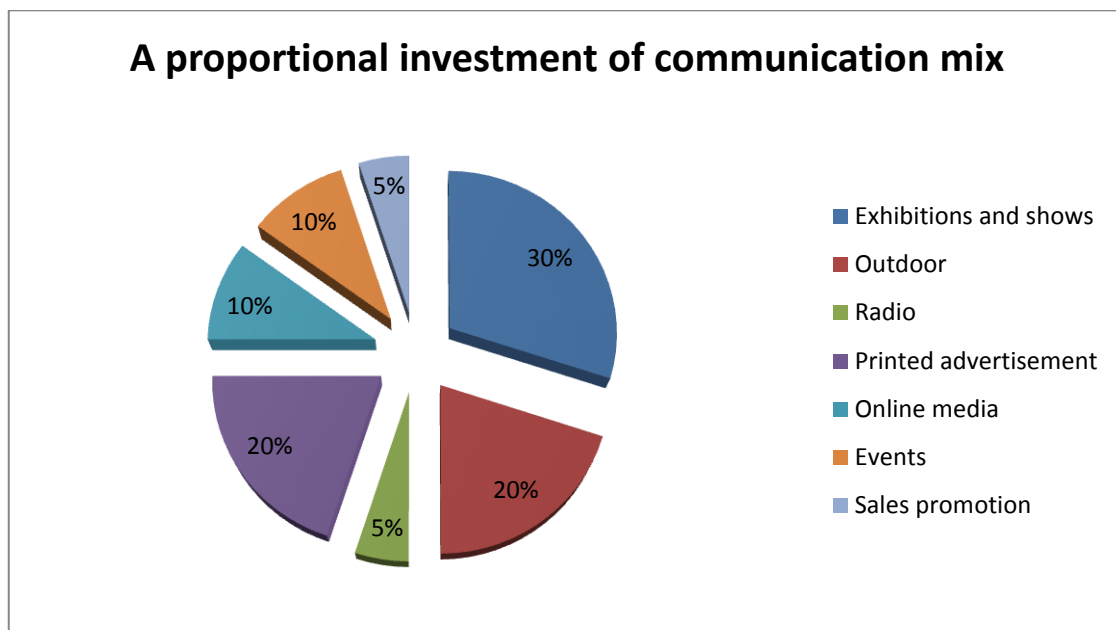
Ton a.s. takes part in organizing events as well. In recent years events organized by company were mainly targeted to employees and their family. These events take place usually at Easter or Christmas. Every year in summer a party is organized for employees and a ball is organized during the winter. Last year a big event was arranged for partners on the occasion of 150 years anniversary. Several events take place in the showroom in Holešovice – those events are organized in order to introduce new products or celebrate holidays. (Ivana Kocourková, January 31, 2012, e-mail message to author)

5.8 Total investments into the communications mix

It is necessary to consider the financial investments that are put into the marketing communication of a company. In cases where expenses reach hundreds of thousands of crowns, it is important to be very careful to use these investments to create positive public awareness, become a market leader, and build a prosperous brand. Therefore must Ton a.s. maintain its competitiveness, take care of its current clients, and strive for their expansion.

Here a figure is presented representing the proportions of money spent on different kinds of communication in the company Ton a.s. Company invests in all kinds of promotional mixes. Most of its financial resources are invested into exhibitions and outdoor advertisements

Figure 1. A proportional investment of communication mix



Source: Data from Ivana Kocourková

5.9 Internal communication

As one of the means of internal communication Ton a.s. uses internal newspapers which were recently re-established and are called *Naše noviny*. These newspapers are distributed among employees and are issued every other month. Different sections provide news or space for anyone from top management to talk to readers. In the last section, *Den na...*, one department with its employees and their job description is introduced in each issue. Boards where the most recent news is published are used in addition to newspapers. Employees can also communicate through an intranet where employees can gain useful information, mainly phone numbers, guidelines and menus. News and useful information are provided by a member of the marketing department. From time to time, the company organizes an open day which can be attended by both employees and public. At this event, the public can find out about how company works and employees can see other parts of company. (Ivana Kocourková, January 31, 2012, e-mail message to author)

5.10 Internet marketing

As the Internet is the fastest growing media today and has a great impact on people, Ton a.s. focuses on many kinds of internet advertising.

Banners

One part of the internet advertising is banners. Banners that advertise Ton a.s. are placed on web pages that focus on a particular issue, in this case it is living. Advertisements are placed on the web page of online press Idnes.cz, in a section called bydleni.idnes.cz.

Newsletters

The other form of online promotion is online newsletters, which are sent to people who are registered on the company's website. These newsletters include news about products and sales announcements. (Ivana Kocourková, March 22, 2012, e-mail message to author)

Search engine

Through search engine optimization Ton a.s. tries to achieve the highest position on search engines' results pages. Key words for search engines:

- chairs and tables
- chairs
- tables
- bentwood furniture

Companys' website and Facebook fun page

The official company website is available at www.ton.cz, all the information on website is provided in 5 languages – Czech, English, German, Polish and French. This website is user-friendly and well organized. An online catalogue and e-shop can be found which customers use for making online purchases, and the journal with latest products.

Ton a.s. created its own fun page on the most famous social network nowadays – Facebook.com. Through Facebook, the company informs its fans about latest events, new products or awards that products have won. Apart from information about company, this website informs customers about news in design or about the success of famous furniture designers.

6 SURVEY

Online questionnaire was created by means of Anasurvey.com, which was afterwards sent to respondents via e-mail. It was also posted on the social network Facebook.com. The objectives of posting questionnaire on Facebook.com were to interact with a wider audience, so that people from regions outside the Zlín region could also participate in this survey. The example of questionnaire is attached in appendices.

160 respondents were surveyed. Apart from focusing on demographic information the questionnaire's main objective was to find out the level of public awareness about Ton a.s. The other aim was to establish the most effective forms of marketing communications and the priorities customers have when choosing furniture.

6.1 Survey results

Figure 2 shows the sex structure of respondents. Of the total 160 respondents were 97 women (61%) and 63 men (39%).

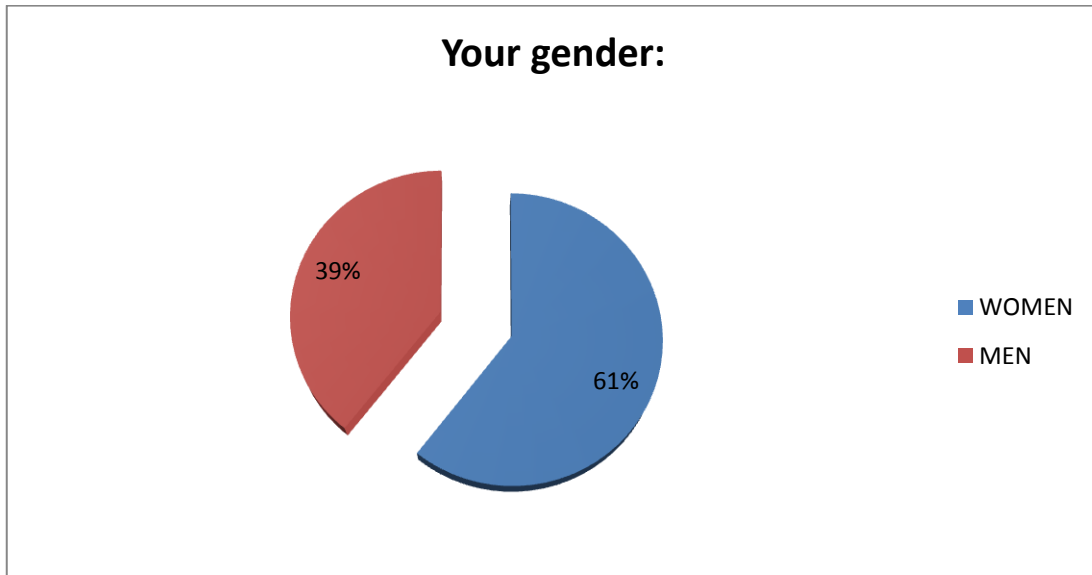


Figure 2. The sex structure of respondents

Figure 3 reveals results of the age structure of respondents. The majority of interviewed men and women were aged 18-30 years (88%) and the fewest respondents were aged 51 and more (3%).

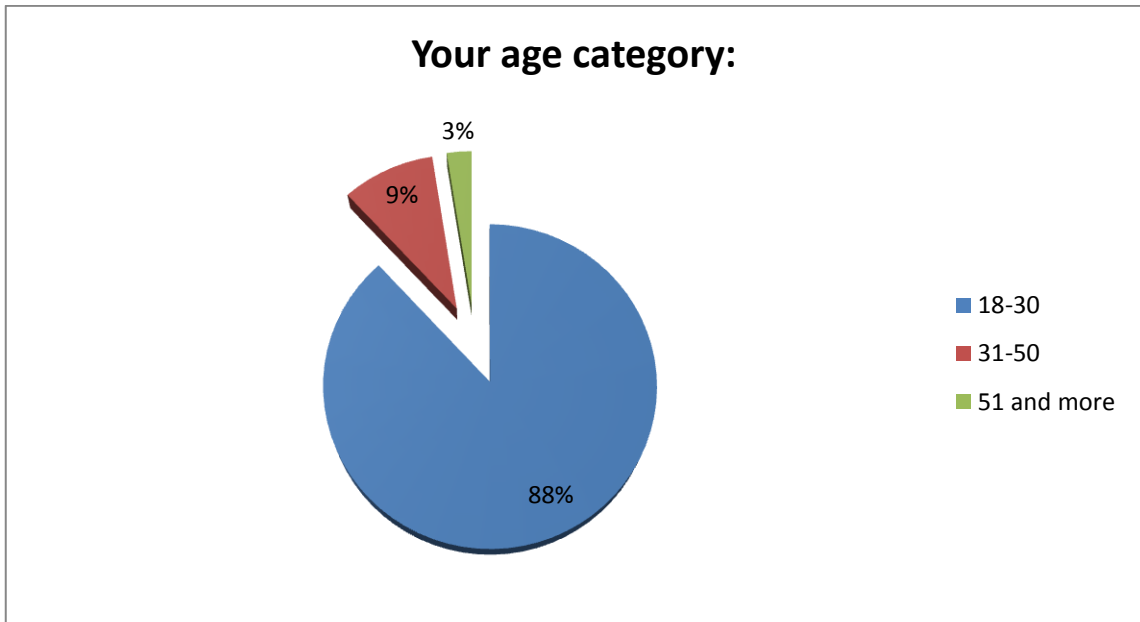


Figure 3. The age structure of respondents

In the following figure, the structure of respondents by region is shown. The majority of respondents were from Zlín region (37%), followed by Olomouc region (17%), Jihomoravský kraj (13%), and Hradec Králové region (13%), with a small number of respondents from other regions.

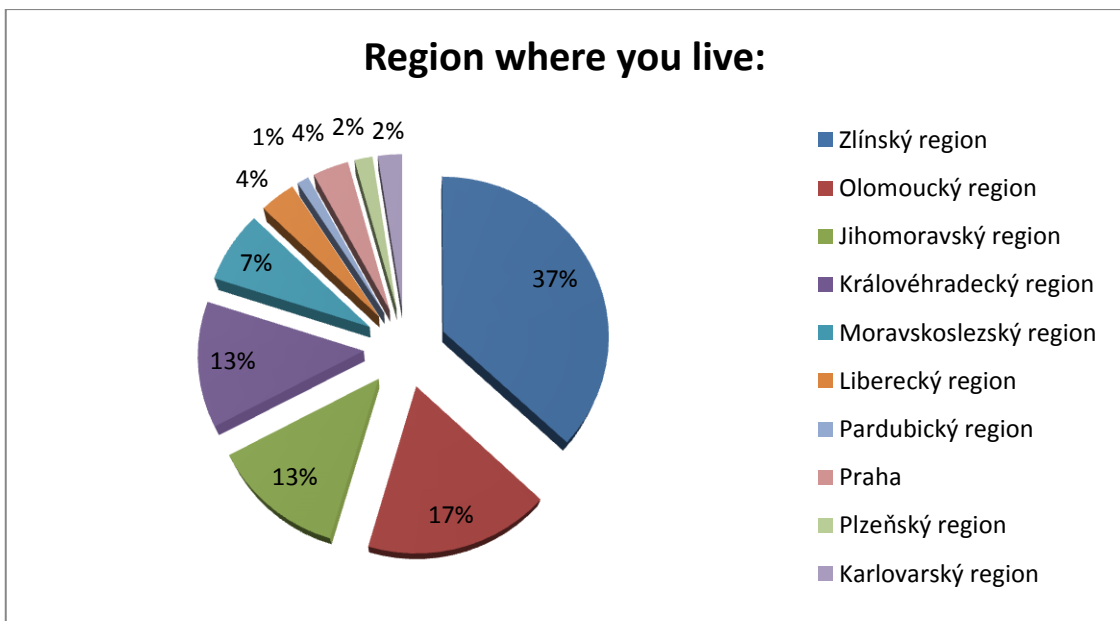


Figure 4. Frequency of respondents in each region

Figure 5 demonstrates the general knowledge of company. Of the total 160 respondents, 86 men and women (64%) were familiar about company. It cannot be said that with distance from Bystřice pod Hostýnem, the knowledge of company becomes lower. Surprisingly, respondents from very distant parts of Czech Republic had some basic knowledge about the company.

Based on this finding, one part of this hypothesis can be claimed: *Ton a.s. maintains its visible position on the market.*

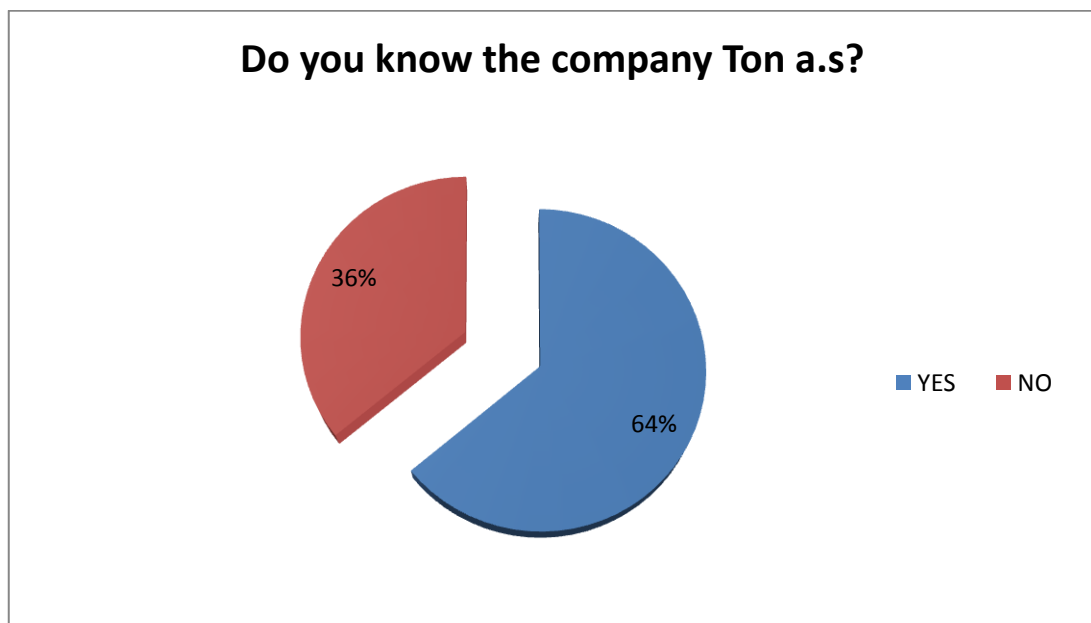


Figure 5. Respondents' awareness about Ton a.s.

From now on the questionnaire will be focused on people who are familiar with the company, people who did not know the company were not supposed to carry on filling in the questionnaire.

The sixth figure shows ways by which respondents had first become acquainted with the company. The prevailing answer (53%) was that respondents had known the company for a long time. Most other respondents (21%) learnt about the company through the Internet, then (14%) from outdoor advertisement. 12 % of men and women questioned chose radio.

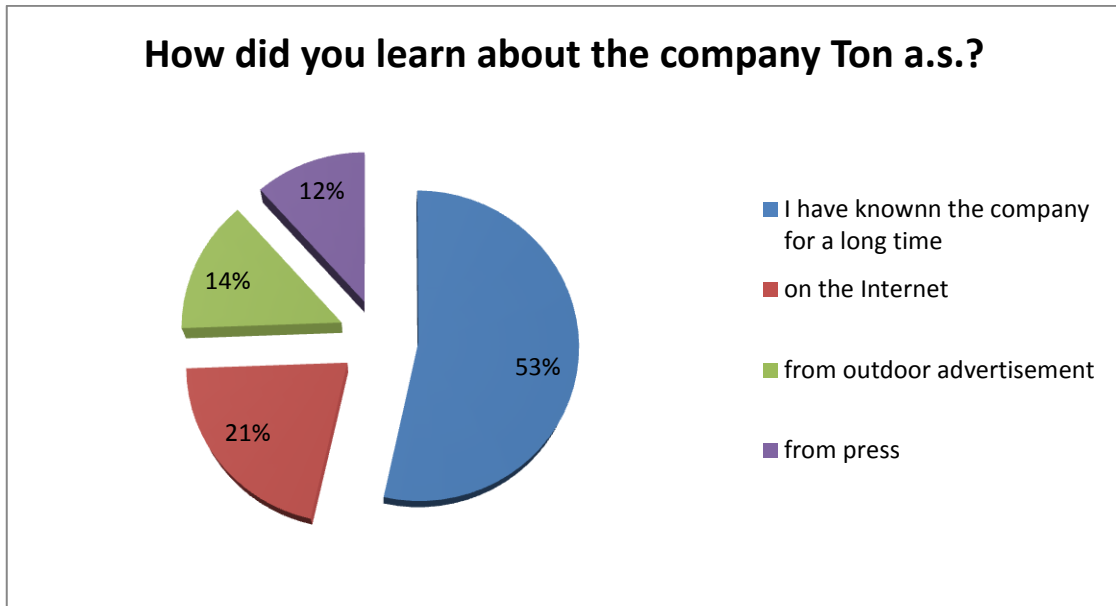


Figure 6. Learning about the company

The seventh figure shows the respondents' views of companies' promotion. Out of 86 respondents with basic knowledge about Ton a.s., the vast majority of 71% think that the company's promotion is poor.

According to these results, another part of hypothesis can be confirmed: *However, while there is some company awareness, company promotion is insufficient.*

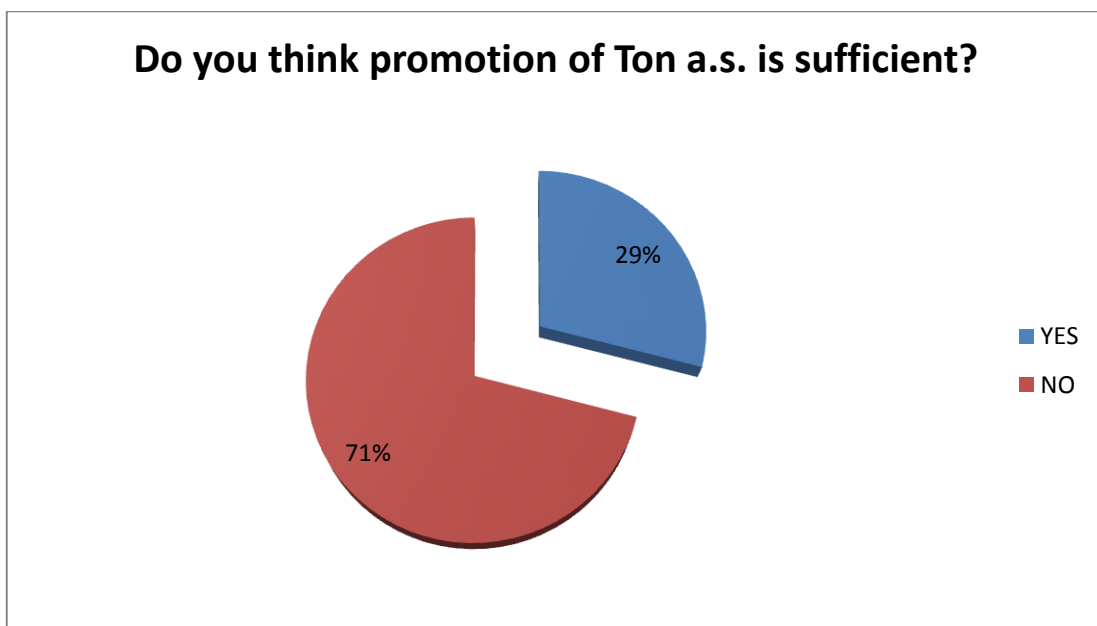


Figure 7. Efficiency of the companies' promotion

Figure 8 gives reader a view of the most perceived types of advertising of Ton a.s. It is apparent that most respondents met with outdoor advertising, followed by print advertising and the Internet. Radio is shown to be the least effective method of advertising - only 4% of respondents have heard advertising from the radio. Surprisingly, it seems that 23% of interviewed people had not seen any advertising.

Based on this finding; we can again confirm the hypothesis that: *However, there is some company awareness, its promotion is insufficient.*

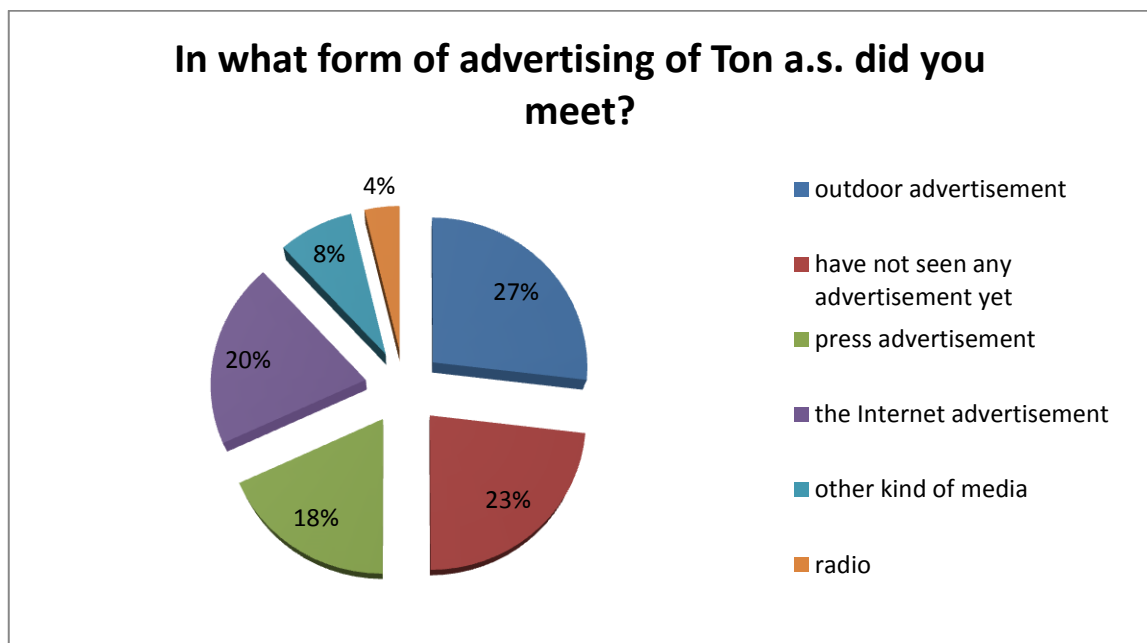


Figure 8. Most efficient types of advertising

Figure 9 shows the priorities which influence costumers' decision making when buying furniture. 58% of questioned people answered that for them is the most important aspect when buying furniture quality. 23% place most importance on a favourable price, and 19% consider design. The least important factor for consumers when buying furniture is the brand.

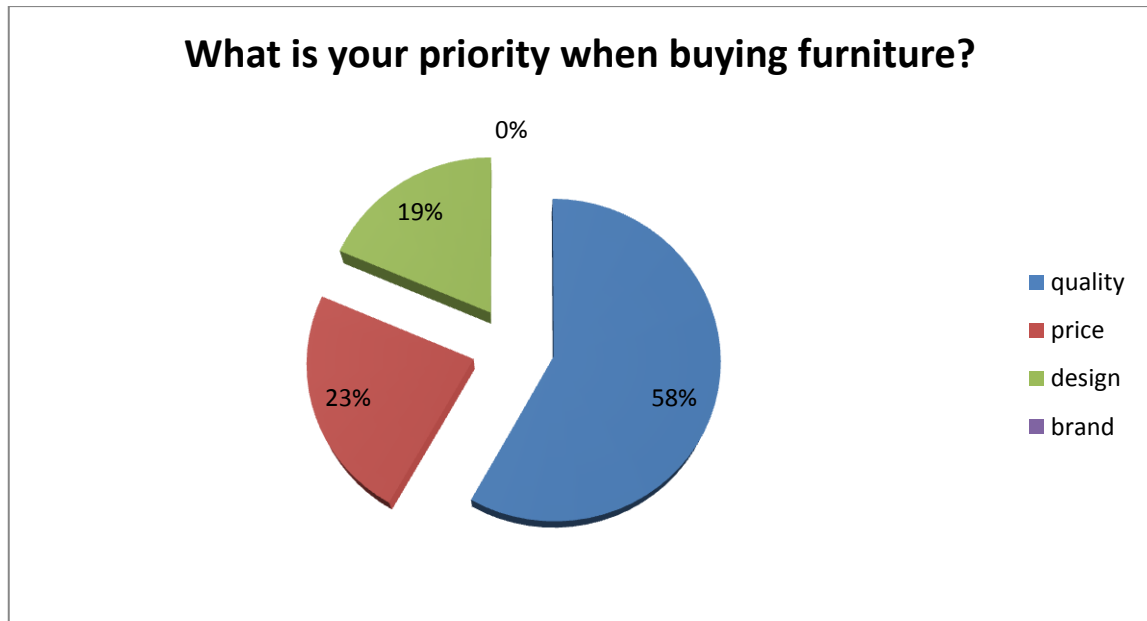


Figure 9. Customers' priorities

6.2 Survey conclusion

With reference to the survey results, it has been found out that 64% of the total 160 respondents were familiar with company Ton a.s. Another important finding was that the awareness of the questioned company was quite large. The most commonly noticed promotion by Ton a.s. was outdoor and internet advertisements. The least commonly noticed advertisement was through radio. Priorities that would influence potential costumers' decision making when buying furniture were mainly quality, followed by price. The least important factor for consumers regards the furniture's brand.

7 SWOT ANALYSIS

SWOT analysis is an effective method to create a complex point of view on the company analyzed. The analysis provides information about a company's strengths, weaknesses, and the fields it should continue to develop and those it should avoid. Based on the analysis of current marketing communications and a questionnaire survey following SWOT analysis was compiled.

7.1 Strengths

- safe, reliable and exclusive products
- new design
- leading position on bentwood furniture market
- awards for products on international scale
- e-shop at www.ton.cz
- emphasis on well-designed stores according to latest trends
- strategic location of stores across country
- wide assortment of furniture for different target groups
- constantly newly informed sales assistants
- tradition of brand
- development of new products

High quality products, wide range of assortment, and implementation of latest trends can be considered to be the most important strengths of analysed company. No other company has such a long tradition of brand and focus on bentwood production on Czech market. Therefore, Ton a.s. maintains its leading position on the bentwood furniture market. The company can also take pride in awards given to some of their products for their user-friendly characteristics and design. The company provides both internet e-shops and traditional stores. Internet catalogues are easily to be seen from the comfort of home and traditional shops have a welcoming atmosphere. All shops are arranged by designers in the same style. Shop assistants also provide professional help and are informed about innovations and newest offers through company's intranet. The company's stores are easily accessible from all corners of the Czech Republic.

7.2 Weaknesses

- old production equipment
- low investment in marketing
- lower public awareness of brand
- difficulty in monitoring effectiveness of promotional campaigns
- insufficient marketing communication
- location of factory
- high price

As survey shows there is relatively low public awareness of a brand which is caused by a low investment in the marketing department. Another disadvantage is the location of the company's factory in the small town of Bystřice pod Hostýnem in the Kroměříž district. If this factory were situated in a town of bigger importance, the public awareness would probably be higher. Another weakness that the company faces is the old production equipment in factory. As we learned from the survey, Ton's marketing communication is insufficient. The company must create more public brand awareness. With regard to marketing communications, it is difficult for the company to monitor and measure effectiveness of its promotional campaigns. The last thing that may switch consumers' attention to competitors' products is the high price of Ton's products. This survey revealed that many consumers make decisions according to prices.

7.3 Opportunities

- entering new markets
- a growing purchasing power of hotel and restaurant units
- addressing customers with different needs
- enlargement of number of service
- currency stability
- maintaining development and innovation
- strengthening of corporate image
- addressing younger people through social and digital media
- new potential customers

As well as entering new markets and finding new customers, it may help to maintain a leading position on market and strengthen corporate image. By engaging with new digital and social media, the company has the opportunity to address younger people. The aim could be to show its existence on the market or persuade customers to buy a product. Another opportunity that could be considered is to create new products to reach a wider range of consumers or provide additional services to customers. The growing purchasing power of hotel and restaurant units represents another way to increase profit.

7.4 Threats

- influence of European Union policy
- decreasing number of customers
- price wars
- strong competition among e-shops as well as traditional retail shops
- awareness of the competitive brands
- increasing prices of wood
- exchange rates
- lack of customers' loyalty
- no reaction towards marketing communication
- impact of economic crisis on consumer behaviour
- new competitors on market

The biggest threat which the company should prepare for is that of current competitors and the entry of new competitors on the market with cheaper products or more favourable characteristics. Therefore it is necessary for the company to build a strong brand that not only represents quality products but also uses effective marketing communication so the entry of new competitors on the market will not threaten the company's position. Another significant threat for the company is the exchange rate as the company exports abroad. Other worries may cause a fact that Czech Republic is a member of EU and is influenced by EU policy. Another threat to consider is the lack of customer loyalty where customers tend to switch from one producer to another as soon as they get a better offer. As the company focuses on bentwood furniture, another considerable threat would be the increasing price of wood which causes a rise in price of wooden products.

8 RECOMENDATIONS

For successful company is not only necessary to be aware of its strengths and weaknesses, but also to have the ability to take advantage of it. Based on theoretical knowledge, analysis of current marketing communication, SWOT analysis and questionnaire survey, I will propose recommendations to streamline the current state of the marketing communication of Ton a.s.

Company Ton a.s. has been on the market for 150 years and has been successfully maintaining its position as a manufacturer of bentwood and exclusive furniture while holding a variety of awards in areas such as design, usefulness, and innovative ideas. For a company of such nature, it will be very difficult to suggest possible improvements of marketing communication as the company essentially uses all possibilities of communication mix. Based on my survey, I believe that a few ideas that can help to increase company awareness will be found.

Drawing attention to strengths

The research revealed that consumers prefer quality and price rather than brand. Therefore, I would recommend to maintain the quality of furniture. Apart from that, I would suggest that prices of products should be comparable to those of the competition, since, on the scale of priorities when buying furniture, price also plays an important role for consumers. The long tradition of a brand can also mean a lot to customers, various events are organized on the basis of anniversaries where company reminds consumers of its position on the market. These events can be used as a very practical and useful marketing tool. The company should try to highlight these occasions in order to increase sales and public awareness. In order to achieve this, there should be more focus on public relations, such as writing articles for magazines, print or online newspapers. Local promotion should not be omitted either. For more effective local promotion of company or stores, leaflets could be used in addition to outdoor advertisement such are billboard or city lights.

The price of leaflets varies according to size, paper material used, and design created by particular organization. With the help of Web site Inetprint.cz, the necessary investment for various numbers of leaflets was calculated. The following calculation was created for colorful leaflets of small size with a glossy surface and designed by the organization's designers.

Table 2. Calculation of leaflets price

Number of leaflets	Price of a leaflets	Total price
2000	1,84 CZK	4 416 CZK
3000	1,31 CZK	4 716 CZK
5000	0,81 CZK	4 920 CZK

Source: Data from the Inet print

The advantage of outdoor advertising is that it can reach more people and gives the impression that presenting company is a successful, and certainly not small. The disadvantage is considerable financial cost especially, if the company invests in several pieces of this advertising. Average price for renting space for one month is 5000 CZK. As a rule, the more lucrative the location is, the higher the price is.

There are 16 stores across the Czech Republic, the following calculations show the possible cost of outdoor advertisement promoting 16 stores with ten billboards each.

Table 3. Calculation of billboards price

Number of billboards	Billboards print	Price of spaces	Total price
1	520 CZK	5000 CZK	5520 CZK
16	8320 CZK	80000 CZK	88320 CZK
160	83200 CZK	800000 CZK	883200 CZK

Source: Own processing

Internet phenomenon

As the survey shows, Internet advertising seems to be quite effective as many people took notice of this promotion. But another survey shows that also many people have not noticed any advertising yet. It is essential to focus on this method more. The possibilities may be putting more banner advertisements on websites associated with living and lifestyle. Also investing more effort into optimizing key words in search engines would make the company appear on the top positions of search results. Despite the fact that it is quite expensive, the research reveals that is worth it and can reach new potential customers. Considering Internet marketing, importance should be also placed on Facebook, where people meet and discuss various issues, exchange ideas and communicate with one another. This media is a perfect tool to interact with customers, find their needs or learn

their buying habits. Creating new relationships can provide the company with feedback and possible new suggestions. Ton a.s. has created its fun page *Ton Design* on Facebook.com. However, having taken a closer look at this page, I would recommend better promotion and more effective management, so it can gain more followers and people will be able to find out about newly released catalogues, products, awards and links about a variety of interesting news from design and furniture making, or participation in various exhibitions. I might say that I appreciate the comments that are included with every post, they encourage followers to comment and through that, interaction among potential customers is created.

Following figure demonstrates the costs of internet advertising on the Web site Marianne.cz. Marianne.cz is a popular online magazine about lifestyle. Ton a.s. uses advertisement in print form of magazine in a section about lifestyle. I believe that by putting online advertisements on this Web site, Ton a.s. can create brand awareness. The costs are comparable to other online magazines which can be used instead of or in addition to this Web site.

Table 4. Price of internet advertising on Marianne.cz

Type of advertisement	Average price per week	Guarantee views per week
Mega board	100 000 CZK	140 000
PR article	45 000 CZK	-
Leader board	70 000 CZK	140 000
Skyscraper	70 000 CZK	140 000

Source: Data from the Hubert Burda Media

Enlargement of services

From my point of view, some customers would appreciate an enlargement of current services such as production, selling of furniture, and cane seat and backrest repair. What I would suggest is that the company could make an effort to provide customers with repairing of seats as well as fixing broken and worn out furniture. Ton a.s. produces quality furniture and it would be a waste to get rid of it when it gets old and ugly. A specialist could take customers' old furniture and repair or repaint it. New fashionable looks could be created for old furniture. This possibility would not be particularly costly. Furniture could be taken to a factory where other furniture is produced, and where all necessary equipment would be available.

Radio and television

Mass marketing can reach more potential customers than any other form of advertising. Even though Ton a.s. uses radio advertising, according to research, this means of communication does not seem to be widely noticed. The reasons might be that radio advertisement is used mainly to promote regional campaigns and attract customers to newly opened stores. I believe that creating TV commercials would attract many customers, especially for the company's innovative ideas and design. However, I do not think that the marketing budget would allow this company to take part in mass media of this kind. Therefore, I would recommend bigger investment of money in radio promotion.

As Indicated on the Digi Zone, according to the most recent survey carried out by Radio Project, Radio Impuls is the most listened radio throughout the Czech Republic, and has been maintaining its popularity for last few years. At least once a week about 2000 million listeners tune into this nationwide commercial radio.

Through national wide broadcast, the company could reach a wide range of listeners and build brand awareness. Table below demonstrates the basic costs of 30 seconds of broadcasting at different times of the day.

Table 5. Radio Impuls advertising costs

Time zone	0 - 6	6 -7	7 - 12	12 - 15	15 - 18	18 - 19	19 - 22	22 - 24
CZK	2 200	16 000	27 500	18 300	17 200	12 100	4 800	3 300

Source: Data from the Impuls

CONCLUSION

A hypothesis was determined before making an analysis of the chosen company. The first claim that *company Ton a.s. is one of few Czech companies with a long tradition that maintains its visible position on the market while using all types of marketing communication*, was confirmed. Based on the analysis of the company's current marketing communication, it was determined that the company uses various communication tools. My survey proved that Ton a.s. has a visible position on the market, as the majority of respondents were familiar with it. The later claim: *However, while there is some company awareness, its promotion is insufficient*, can also be supported by this survey. 23% of people interviewed had not met with the company's advertising. Furthermore, the majority of people claim that the company's marketing communication is not sufficient.

On the basis of a SWOT analysis recommendations that could improve current situation were proposed. One of them was to emphasise its strengths which is maintaining its quality products' status, and emphasis on the brand's long tradition, since some customers may prefer purchasing at company with experiences rather than at company that has just appeared on the market. Another suggestion that was made was to focus on internet advertising as many people met with Ton a.s. through this kind of media and therefore can be considered to be effective. By investing more money into internet advertising company may reach a wider audience. It has been also assumed that customers might appreciate enlargement of service. The company engages only in the manufacturing of furniture and the repair of seats. Providing services such as renovation or repair of old furniture may interest in some customers who do not want to get rid of their furniture or cannot afford to buy new products. The last suggestion given was to focus a bit more on mass media, as through this media the most potential customers can be reached.

Company Ton a.s. has fine business background and is versed in marketing communication. Nevertheless, the more attention company pays to marketing communication, the more public awareness it will get from consumers.

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APPENDICES

P I Questionnaire

P II Abbreviations

P I: QUESTIONNAIRE

Hello

My name is Nikola Solařová and as a student of third year of Tomas Bata University in Zlín, I would like to ask you to take few minutes of your time to fill in the following anonymous questionnaire which will help me to evaluate useful information that are necessary by processing my bachelor thesis about marketing communications in Ton a.s.

Your gender:

- Men
- Woman

Age category:

- 18-30
- 31-50
- 51 and more

Region where you live:

- Praha
- Středočeský region
- Jihočeský region
- Plzeňský region
- Karlovarský region
- Ústecký region
- Královehradecký region
- Liberecký region
- Pardubický region
- Vysočina
- Jihomoravský region
- Olomoucký region
- Moravskoslezský region
- Zlínský region

Do you know the company Ton a.s? (Manufacturer of bentwood furniture, if your answer is no, please go to the end of the questionnaire and finish it)

- ANO
- NE

How did you learn about the company Ton a.s.?

- I have known the company for a long time
- from press
- from the Internet
- from radio
- from outdoor advertisement

Do you think promotion of Ton a.s. is sufficient?

- ANO
- NE

In what form of advertising of Ton a.s. did you meet?

- Internet advertisement
- press advertisement
- outdoor advertisement
- radio advertisement
- I have not met any kind of advertising yet
- other

What is your priority when buying furniture?

- price
 - quality
 - brand
 - design
-

Thank you your willingness and time spent by filling in this questionnaire.

P II: ABBREVIATIONS

EU	European Union
PR	Public Relations
CZK	Czech Crowns
B2C	Business-to-customer
B2B	Business-to-business
C2B	Customer-to-business
C2C	Customer-to-customer
B2E	Business-to-employee