A Marketing Strategy for TERMO SERVIS spol. s r.o.

Tereza Špačková

Univerzita Tomáše Bati ve Zlíně

Fakulta humanitních studií

Ústav moderních jazyků a literatur

akademický rok: 2013/2014

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Tereza Špačková**

Osobní číslo: **H11441**

Studijní program: **B7310 Filologie**

Studijní obor: **Anglický jazyk pro manažerskou praxi**

Forma studia: **prezenční**

Téma práce: **Marketingová strategie společnosti TERMO SERVIS spol. s r.o.**

Zásady pro vypracování:

Zpracujte kritickou literární rešerši na téma marketingové strategie.
Analyzujte současnou marketingovou strategii společnosti TERMO SERVIS spol. s r.o.
Zhodnoťte výsledky analýzy.
Navrhněte inovaci marketingové strategie společnosti TERMO SERVIS spol. s r.o.

Rozsah bakalářské práce:

Rozsah příloh:

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

Seznam odborné literatury:

Blythe, Jim, and Alan S. Zimmerman. 2005. Business-to-business marketing management: A global perspective. London: Thomson Learning.
Kotler, Philip, and Gary Armstrong. 2005. Principles of marketing. Upper Saddle River, NJ: Pearson Prentice Hall.
Mohammed, Rafi. 2004. Internet marketing: Building advantage in the networked economy. Boston: McGraw-Hill/Irwin MarketspaceU.
Palmer, Adrian. 2012. Introduction to marketing: Theory and practice. Oxford: Oxford University Press.
Sharp, Byron. 2013. Marketing: Theory, evidence, practice. South Melbourne: Oxford University Press.

Vedoucí bakalářské práce: **Ing. Michal Pilík, Ph.D.**
                                    Ústav managementu a marketingu

Datum zadání bakalářské práce: **11. července 2014**

Termín odevzdání bakalářské práce: **22. srpna 2014**

Ve Zlíně dne 11. července 2014

L.S.

doc. Ing. Anežka Lengálová, Ph.D.   PhDr. Katarína Nemčoková, Ph.D.
          děkanka   *ředitelka ústavu*

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

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

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

Ve Zlíně 22. 8. 2014

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

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

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

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

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

(1) Škola nebo školské či vzdělávací zařízení mají za obvyklých podmínek právo na uzavření licenční smlouvy o užití školního díla (§ 35 odst. 3. Odpírá-li autor takového díla udělit svolení bez vážného důvodu, mohou se tyto osoby domáhat nahrazení chybějícího projevu jeho vůle u soudu. Ustanovení § 35 odst. 3 zůstává nedotčeno.

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

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

ABSTRAKT

Bakalářská práce se zabývá marketingovou strategií společnosti TERMO SERVIS spol. s r.o. a jejím cílem je navržení inovací marketingové komunikační strategie společnosti. Teoretická část obsahuje vysvětlení termínu jako je marketingová strategie, marketingový mix, komunikační mix, marketingový výzkum a SWOT analýza. Po teoretické části následuje část praktická, která obsahuje představení společnosti TERMO SERVIS a následnou analýzu, která je tvořena analýzou současného komunikačního mixu, SWOT analýzou a hloubkovým interview s majitelem společnosti. Závěrečná část práce se věnuje řadě doporučení, které by společnost mohla využít k inovaci své marketingové komunikační strategie.

Klíčová slova: marketingová strategie, komunikační mix, SWOT analýza, hloubkové interview, plynové kotle.

ABSTRACT

The bachelor thesis focuses on the marketing strategy of the company TERMO SERVIS spol. s r.o. and its goal is to suggest marketing innovations of its marketing communication strategy. The theoretical part contains the explanation of the terms like: marketing strategy, marketing mix, communication mix, marketing research and SWOT analysis. The practical part consists of the introduction of TERMO SERVIS and the analysis of its current communication mix, SWOT analysis and an in-depth interview with the owner of the company. The final section of the thesis contains a number of suggestions which can be used by the company for innovation of its marketing communication strategy.

Keywords: marketing strategy, communication mix, SWOT analysis, in-depth interview, gas boilers.

ACKNOWLEDGEMENTS

CONTENTS

INTRODUCTION

"Business has only two functions – marketing and innovation." (forbes.com)

Milan Kundera

Nowadays the marketing plays a big role in everyday's life. We are influenced by the advertisements and most of the time it happens unconsciously. Therefore, it is almost obligatory for every company to have its own suitable and effective marketing strategy. The companies started to realize that marketing helps to keep their position on the market and to improve their performance. The companies are more customer-oriented, they are trying to get to know their needs and to fulfill them and they became aware of the fact that production is no longer the main matter.

Even the smallest companies do realize the need of having a proper marketing strategy. The small companies have the disadvantage of not having as many resources for the marketing as the bigger companies but nonetheless the companies still can be creative and make an effective marketing strategy.

This bachelor thesis focuses on analysis of marketing communication strategy of a small company called TERMO SERVIS spol. s r.o., which was founded in 1994 in Stará Boleslav, Czech Republic. The company is offering the services providing care and installation of gas boilers. The owner of the company, Mr. Jiří Špaček, is the only person who takes care of the company's promotion. The competition in this field of business increases every year and, therefore, a good promotion is needed.

The aim of this bachelor thesis is to analyze the current situation of the company and to suggest innovations which would help to improve its marketing communication strategy. The analysis will be done by analyzing the current communication mix of the company, making SWOT analysis and interviewing the owner of the company. After analyzing the current marketing strategy, a number of innovations will be introduced. These could be implemented to improve the marketing communication strategy of the company.

I. THEORY

1 MARKETING

It is thought by many people that marketing means only selling and advertising. This image is caused by everyday life. People see TV commercials, they receive direct-mail offers, sales calls etc. But the marketing nowadays should be understood as a tool satisfying customer's needs. Once the marketer finds out the costumers needs, he will be able to develop a product of a higher value, promote a product effectively thus the product will be sold easily. In other words marketing is the process thanks to which companies make a value for costumers and make powerful costumer relationship for the purpose of obtaining value from a customer in return (Kotler, Armstrong 2005, 5). Blythe and Zimmermann (2005, 3) define marketing as an understanding consumers.

Pride and Ferrell define marketing as a process of creating, distributing, promoting and pricing the goods. The marketing occurs in business and non-business organizations as well. Marketing activities help to make the profit. There is an importance to study marketing because it pervades our lives (1997, 17).

Another definition comes from the American Marketing Association: "*Marketing is the process of planning and executing the conception pricing, promotion, and distribution of ideas, goods, and services to exchanges that satisfy individual and organizational goals.*" (Mohammed 2005, 3).

According to Sharp (2013, 8) marketing means buying and selling. In this case everyone would look after their own needs by themselves e.g. growing their own food, living a life without a cell phone, washing machine etc. there would be no trading and no business.

1.1 Marketing Strategy

A word *strategy* comes from a Greek word *stratégia* which means the art to lead war or to solve the war operations the way it will lead to victory. Nowadays under the word *strategy* stands the art of leading a certain group of people the way it will fulfill all the goals which want to be reached (Foret 2001, 15).

The marketing strategy is a marketing logic thanks to which the company wants to accomplish the useful relationships. By market segmentation, positioning and targeting the company can decide to what groups of costumers the product will serve. Firstly it identifies the total market. Then the total market is divided into smaller segments from which the

most auspicious segments are selected. The company focuses on these segments and serves and satisfies the costumers of them (Kotler, Armstrong 2005, 46).

Zikmund (2003, 12) claims that before developing a marketing strategy, the company has to decide what goals they want to reach and which they can obtain it. Developing of marketing strategy requires four stages:

o   *Identifying and evaluating opportunities* – marketing research might help to identify and evaluate the potential opportunities to determine appealing areas for firm action. It can also provide diagnostic information about what exists in the environment. Only a simple description of some political or social activities, e.g. trends in consumer purchasing behaviour, may help the managers to find out the problems and recognize the opportunities which can help to improve the marketing efforts.

o   *Analyzing market segments and selecting target markets* – marketing research is the main source of information which can help to find out what the typical features of market segments are that differ them from the overall market.

o   *Planning and Implementing Marketing Mix* – according to what is mentioned above, marketing mix is planned by marketing managers.

o   *Analyzing marketing performance* – when the marketing strategy is applied owing to the marketing research, it can be estimated by the managers whether it met the expectations or not. Marketing research might be done in a way to obtain the feedback for the following evaluation. This side of a marketing research is very important for successful total quality management.

1.1.1   Customer-centred marketing strategy

As it is claimed by Kotler and Armstrong, in order to success on today's market the companies have to be focused on the costumer, in other words to be costumer-centred. Due to the strong competition it is essential to attract the customers and, consequently, take care of their needs. Before meeting the needs of the costumers, these needs have to be thoroughly indentified. The companies should realize that there is a large variety of

costumers who have different needs and wants. Most of the companies serve certain segments better than the others. Nevertheless, every company has to separate all market and choose the best segments. Consequently, they should introduce such strategies which would effectively serve the chosen segments. This process contains three steps: *market segmentation, target marketing* and *market positioning* (2005, 53).

1.1.2 Market segmentation

Urbánek is defining the market segmentation as a process which is dividing the market to smaller parts (groups of costumers – target consumers). As it was already mentioned the costumers are different individuals and it is hard to make a special offer for each of them. This is the reason why the companies are trying to find the consumers with the same or similar requirements from which the target groups of costumers are created, so called *segments* (2010, 180).

Segmentation is possible to realize according these positions:

o *Demographic segmentation* – consumers are divided into target groups according to age, sex, education, income, profession, religion etc.

o *Geographical segmentation* – potential consumers are divided into smaller groups according the demographical point of view as: country, regions, towns, villages etc.

o *Psychographic segmentation* – dividing the market according life style of consumers, their characters, attitude etc.

o *Behavioural segmentation* – creating segments according to consumer's behaviour, their knowledge about offered product, opinions about the product, grades of using it and loyalty to brand (Urbánek 2010, 181).

1.1.3 Target marketing

When the company already chooses the market segments, it can enter one, few or all of these segments. *Target marketing* requires appraising attractiveness of every segment and according to that one or more segments are chosen to enter. A firm which has limited resources can choose only one segment, few special segments or market niches. *Market niche* means a segment which is ignored by major competitors. Smaller companies can take advantage of it and focus on this segment (Armstrong, Kotler 2005, 54).

1.1.4 Market positioning

After choosing which marketing segments are attractive enough to enter, the company has to decide what position it wants to inhabit in these segments (Armstrong, Kotler 2005, 54). Armstrong and Kotler define the *market positioning* as: "*Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target costumers.*" (Armstrong, Kotler 2005, 54). Managers plan positions which can differentiate their products from the products of the competitors. The goal is to gain the competitive advantage. It can be done by having lower prices than the competition or by offering more benefits which will vindicate higher prices (Armstrong, Kotler 2005, 56).

1.2 Marketing mix

When the company decides what its marketing strategy will be, there comes the time to plan how its marketing mix will look like. Marketing mix is a set of marketing tools which are controllable. The company blends the marketing mix with a target to evoke a wanted reaction in the target market. It includes: *product, price, place* and *promotion*. The marketing mix can be also called as the *four Ps*. It includes everything what can influence the demand for the product (Kotler, Armstrong 2005, 50).

1.3 Product

The product includes all the products and services which the company offers to the target market. The company can offer it on the market for selling, using or to satisfy one's needs or a wishes. Product covers things, services, persons, places, organizations and ideas (Kotler 2007, 70). *Product* is defined as any tangible result of a manufacturing or economical action. From the marketing point of view service is doing an action which will bring the desired result e.g. repairing the car, cutting the hair etc. But anything what is not tangible (e.g. giving some advice, legal service) is still a service. The service is intangible and not storable (Urbánek 2010, 56).

1.4 Price

Price is the sum which the customer has to pay for getting the product (Kotler, Armstrong 2005, 50). In other words, price is the summary of all values which the customers exchange for the gain from using or owning the product or a service. In the past the price was the main factor which was influencing the customer's decision. This still lasts

in the poorer countries and between less rich groups of costumers. But during the last few decades more important factors which are not considering the price have paved their way. People are interested in the quality and the properties of the products (Kotler 2007, 748 – 749).

1.5 Place

Place includes all the company's activities which make the product available to the target customers (Kotler 2007, 71). The companies are more likely a part of a big supplier's chain or a distribution system. The success of a company does not depend only on the fact if the company runs well but also on how well the whole marketing chain competes with the chain of a competition (Kotler 2007, 957). There are two types of distribution: *direct* and *indirect*. Considering the direct distribution, it is a selling of the goods or the services by the producer directly to the customer. Meanwhile indirect distribution is using brokers between the producer and the customer (Urbánek 2010, 90).

The distribution system consists of a few basic participants of distribution process: producers (e.g. agriculture companies, mining industry), processors (e.g. canneries), distributors (wholesalers, retailers etc.) and support companies (e.g. banks, insurances, agencies for market research, transport companies etc.) (Urbánek 2010, 90).

1.6 Promotion

All activities which give information about advantages of the product belong to promotion. Its goal is to persuade the target customers to buy the product (Kotler 2007, 71). The companies are very often hiring the advertising agencies which can prepare an effective advertisement, specialists for direct marketing who can create a database and contact the costumers by post or phone etc. For most of the companies the question is not to promote something, however, to promote the product effectively and to be convincing. The promotion has its own promotion mix which is called *communication mix* which consists of: advertising, personal selling, sales promotion, public relations and *direct marketing* (Kotler 2007, 809). Palmer adds to the communication mix another item which is *online marketing*. He defines the term *communication mix* as a term which is also often used to delineate the scale of channels e.g. email, face-to-face selling, advertising. Owing to these methods the company can pass on its message to the target customers (Palmer 2012, 412).

1.6.1 Advertising

Term *advertising* is defined as a nonperson, one-way form of company's communication with the customer via various mediums. It is targeted activity which brings the information about the product, its characteristics, advantages and quality to the potential customer. The final goal of advertising is to prompt the consumer to make the decision to purchase. Another goal of advertising is to affect the current customers and to try to convince them to repeat the purchase (Foret 2001, 122).

Kotler (2007, 809) defines advertising as any paid form of no personal presentation of ideas, goods or services of identified sponsor. The advertising has a lot of advantages (Kotler 2007, 835):

- o It can affect a mass of buyers on various places in the world with a low expense on one person. A good example could be a television advertisement which can affect a huge audience.
- o The greatness of the advertisement gives information about size, popularity and success of the seller.
- o Owing to a public character of an advertisement, the buyers have the tendency to perceive the advertised products as standard and legitimate ones. The buyers know that the purchase of a certain product will be understood and accepted by the public.
- o The advertisement allows the seller to spread the message repeatedly and it allows to buyers to perceive and compare the messages of different sellers.
- o Advertisement also allows the company to dramatize the products. It can be done by using visual effects and sounds.
- o On one hand the advertisement can help to build a long-term image of the product, on the other hand it can start up immediate growth of sales.

Advertising does not have only the advantages but also disadvantages, these are as follows:

- o Although it reaches a lot of people in a short time, the advertising is non personal and cannot be as much convincing as company salesmen.
- o Advertisement is able only of one-way communication with the audience and the audience do not have a feeling it should pay attention to it or even react on it.
- o Advertisement can be also enormously expensive. Some forms of advertising can be realized even with a low budget e.g. newspaper advertising and radio advertising. In the case of television advertising the expenses are very high.

Palmer (2012, 426-428) describes the most common places where the advertisement can appear in more details:

- o Newspapers – the newspapers which are published daily have usually high reader loyalty. It means that the printed message can be perceived by readers who have a high level of trustfulness. The advertisement in the daily newspapers is useful for prestige and works as a good reminder advertising.

- o Magazines, Journals – in most of the western countries there is a wide variety of magazines and journals. Most titles contain advertisements according to the title content and targeting. Comparing to advertising in newspapers, in magazines the advertisement can be quite costly. Despite the higher price, there is a big advantage for the advertisers: the high number of target readers per copy and segmented audience.

- o Television - advertisement in a television is very expensive but at the same time very powerful. It is more likely to be used for creating brand awareness but at the same it can serve to a fast sales response. The power of the medium of television stands in appealing on two senses: sight and sound. The main limitation of using television advertisement is the high cost which means it us usually used by bigger and well – established brands rather than by small companies.

- o Commercial radio – advertising in the radio is much less costly than in the television. While listening to the radio the audience can be busy doing other things which can decrease the effect of the advertisement. It is relying only on the sense of hearing.

- o Cinema – the medium of cinema is very often used to promote a local service. Unfortunately without any repetition the advertisement does not have long lasting effect.

- o Outdoor advertising – this advertising can be supporting another media activities. The role of the posters can be in that case a reminder. It reminds what people have already heard or seen on the television.

- o Online media – with an origin of Internet, companies started to use this media to communicate with their target markets. Majority of the companies have its own web pages through which they can communicate with their customers and at the same time promote their goods or services.

1.6.2   Personal selling

Personal selling belongs to the most effective tools while creating buyer's preferences and actions. It means personal interaction between two or more people while during that interaction every person can observe the needs of others and adapt to them quickly. (Armstrong, Kotler 2005, 404). The goal of the personal selling is reaching the action of selling. Personal selling differs from the advertising, sales promotion etc. because it is a direct communication with the costumer. It contains the face to face communication. It is also more effective because it impacts the customer directly. Personal selling is typical for cosmetics, drugstore goods, insurance services etc. (Moudrý 2008, 131). In the case of personal selling the buyer feels a bigger need to listen to the seller and respond immediately (Armstrong, Kotler 2005, 404).

1.6.3   Sales promotion

Sales promotion is collection of actions which work as a direct incentive to buy the product. Most of the actions are done irregularly with a target to reach an immediate, short-term effect (Foret 2001, 126). Kotler claims that sales promotion consists of short-time inducements to boost the sales (2005, 469). Sales promotion covers many tools as contests, coupons, cent-off deals, free samples etc. It can be used to dramatize product offers or to support drooping sales (Kotler 2005, 443).

1.6.4   Public relations

Public relations refer to giving news stories about the company, its standards, people, services and products through the media. It is happening without any charge for their use with a target to build and develop the relationship between the company and its shareholders. The press requires new stories and public relations is the way how to obtain the information inexpensively. Further, some of the purposes of public relations are: helping to support the prestige and the reputation of the company, detection of rumours and any other sources of misunderstanding, to cope with negative publicity, to attract a good employees etc. To fulfil its purposes the public relations do various activities such as organizing facility visits, publishing newsletters, preparing videos and presentations etc. (Doole 2008, 333). Kotler defines public relations as all the activities (not paid directly) which the organisation does for communication with the target costumer (2007, 837).

1.6.5   Direct marketing

Although there are a lot of forms of direct marketing, all of them share four characteristic features:

- o   Direct marketing is non-public because the message is usually directed to concrete person.
- o   It is immediate because the message can be prepared very quickly.
- o   Direct marketing can be adapted to the way the message will be attractive for concrete customers.
- o   It is interactive and it allows the dialog between the communicator and the consumer. The messages can be changed according to the reaction of the consumer.

The direct marketing perfectly fits for exact marketing efforts and building individual relationships with costumers (Kotler 2007, 837). The forms of direct marketing can be e.g. telephone marketing, direct mail etc. (Armstrong, Kotler 2005, 404).

1.6.6   Online marketing

According to Rafi Mohammed the online marketing (or internet marketing) is: "It is *the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both parties.*" (Mohammed 2005, 4)   The online marketing itself has certain stages of development. The most basic level is when the companies have their web pages only for giving additional information about the goods and services they are offering. At this stage the website is used only as an online form of printed materials of the company. But still web pages like this have its advantages: it is less expensive than the printed company brochures; the company is able to upload the information on their website very quickly so there is no need to reprint the old brochures, everyone in the world who has connection to the internet can get to the information about the company easily (Palmer 2012, 450).

The second stage of online marketing allows a certain dialogue between the company and the visitors of its website. It is done in a way that the visitor can send a message to the company and e.g. ask for some further information. The company can create a script on their webpage which will allow to costumer to ask simple questions and the site will generate the answers. Even more complex interactivity can be reached by linking the customer's request to a database of information (Palmer 2012, 451).

The third stage contains an instant fulfilling of the customer's request; this is used mainly by hotels and airlines companies. The companies are in this stag using yield management so they can change the price and product offer according to balance of supply and demand (Palmer 2012, 451).

2   MARKETING RESEARCH

As it is claimed by Doole and Lowe, the marketing research is methodic collecting and record-keeping analysis and data interpretation, focusing on problems which are connected with marketing of goods and services. The aim for the research is to help to the decision maker. The marketing research can help to avoid or to reduce the risk in decision making which can be caused by environmental insecurities and the scarcity of knowledge in the market (2008, 104).

According to Kotler the marketing research is the function which connects the consumers, costumers and the public with the company due to the information, which is used for identification and definition of marketing opportunities and problems, for creating, improving and evaluation of marketing activities, monitoring of marketing performance. The workers of the research determine which information they need, suggest the method for their obtaining, control and do the collecting of data, analyze the results and give out discoveries and their consequences (2007, 406).

2.1   The process of marketing research

The process of the marketing research consists of four stages: defining the problem and determination of targets of the research, creating the research plan, implementing of the research plan, interpreting and reporting the findings (Kotler 2007, 406).

2.1.1   Defining the problem and determination of targets of the research

The managers should not define the problem too broadly or too narrowly. By doing that the managers would get a lot of unnecessary information. The managers should try to make the research projects as specific as possible; it means to ask very specific questions which are not broad ranged. Unfortunately not every project can be so specific (Kotler, Keller 2011, 100).

After defining the problem, the determination of the targets comes. Project of the marketing research can have three types of the targets: the target of the information research is to obtain preliminary information, which can help to define the problems better and suggest the hypothesis. The target of the descriptive research is e.g. to describe market potential of a certain product or demographical figures and attitude of the costumers, who buy the product. The target of causal research is to test the hypothesis about relationships of the cause and consequences (Kotler 2007, 407).

2.1.2 Creating the research plan

Second phase of the process is to create the research plan. It is needed to make the most effective plan for collecting the needed information and finding out how much money it will cost. E.g. there is a company which has a long term profit one million of Czech crowns, if the manager of the company thought the research plan would improve the promotional plan, pricing and to almost two millions profit, he should be willing to invest up to eight hundred thousand on the research. If the research would cost more than eight hundred thousand then it does not worth it to do the research (Kotler, Keller 2011, 100).

There are various data sources which can be used for the marketing research. *The primary data* are obtained for the purpose of the certain research. Meanwhile *the secondary data* already exist and were collected for another purpose (Kotler, Keller 2011, 101). The secondary data can be bought from external suppliers. Most of the researches use the online databases, which are usually half ready and they can satisfy almost any information need. The databases like CompuServe, Dialog etc. are offering copious information for marketing managers. The advantages of the secondary data are: easy to obtain, low cost, availability. On the other hand, they have also disadvantages like: the needed information do not have to exist, they have to be evaluated so the researcher will be sure the information are relevant, accurate, current and objective. The secondary data are good to start the research with but in most of the cases the company has to obtain the primary data either (Kotler 2007, 409). The person who is making the research is usually at first checking the secondary sources, which could be fully or partly used for the research. It is due to the reason the primary data are costly. When there are not usable secondary data or they do not exist at all, the researcher has to collect some primary data (Kotler, Keller 2011, 101).

Good decisions need good data. For collecting primary data *quantitative research* or *qualitative research* can be used (Kotler 2007, 409):

- o *Quantitative research* – is done with a target to affect a wide range of respondents. There are certain techniques used for a quantitative research: personal conversation, asking on phone and questionnaire (Foret 2003, 79).

- o *Qualitative research* – this type of research is trying to find out the reasons, motives and the causes for behavior of people. It focuses on deeper knowledge and may serve as a supplement to the quantitative findings. Another situation when it is suitable to use qualitative research is when the research needs to get into a new problems in which he needs to at first orientate and get new ideas. The research is

limited on smaller number of samples, usually around ten of them, maximally up to fifty. The three main basics techniques for qualitative research are: depth interview, group interview (focus group) and project techniques.

In-depth interview – the interviewer tosses the problems but he or she mainly listens carefully to the opinions of the respondent. The interview is recorded and later is evaluated. There can also be a special variant of depth interview which is called *mystery shopping*. The inquirer visits the shops and acts like potential interested person and costumer. The interview with the employees of the shop may last according to their willingness to take care of the costumer up to one hour or more. The inquirer pays attention and evaluates how the employees behave to him, how helpful they are etc.

Group interview (*Focus group)* – the host leads discussion in eight to twelve members group which was chosen and assembled according to the target population. The group interview can reduce the barriers and the answers are more instant. During the group interview there is also an opportunity for direct testing and evaluating of concrete products.

Project techniques – should evoke the imagination and associations, which can be verbal or visual (Foret 2003, 87).

2.1.3 Implementing of the research plan

Another step of the process is to implement the research plan. It means collecting, processing and analyzing the information (Kotler, 2007, 423). The collection of the information might be done by workers of the company's marketing research but more likely it is done by external companies. When the company uses its own workers, it can better control the process of obtaining the information and their quality. On the other hand the specialized extern company can make the collection of the information more effective and for less cost (Kotler 2007, 424).

The phase of colleting the information is usually the most expensive part and mistakes appear frequently. The researchers should carefully observe the work in terrain and ensure, that the plan will be implemented correctly. Preventing problems concerning the respondents should also take place. The respondents might refuse to cooperate; some of them provide untruthful or misleading information. There can be also respondents who make the mistakes or they make their work too simple.

The workers have to process and analyze the obtained information to get the important information and findings. They have to control if the information in the questionnaires are truthful and complete. Then the information has to be encoded for a computer analysis. It is necessary to draw up the results into the tables and calculate average and other statistical data (Kotler 2007, 425).

2.1.4 Interpreting and reporting the findings

The research has to interpret the findings in this stage. Make the conclusions from them and present them to the management. The most important findings should be presented as this is crucial for making decision making which has to be done by management. The presentation should not depend only on the researchers. The researchers are experts in research and statistics but the marketing manager has deeper knowledge of the problems and decisions needed. In many cases the findings can be interpreted in many ways and the discussion between the researchers and the manager may find the best out of them. Manager should also control if the research was done properly and if all important analyses were finished (Kotler 2007, 425).

After seeing the results the manager can ask additional questions, which are thanks to the findings answerable due to the findings. And finally the manager is the person who has to decide which steps are needed to be done (Kotler 2007, 425).

Interpretation is an important part of the marketing research process. Even the best research would be useless if the manager accepted the wrong interpretation of it. At the same time the managers can have distorted interpretation, they can have a tendency to accept the results which they were expecting but refuse the one which they did not expect or did not want. Due to that reason it is necessary the researchers and the managers would cooperate and participate on the responsibility for the whole research (Kotler 2007, 425).

3   SWOT ANALYSIS

S.W.O.T. analysis is an organizational framework which represents the company's Strengths, Weaknesses, Opportunities and Threats (Pickton, Broderick 2005, 736). The name of the analysis is the abbreviation of factors included. A properly done SWOT analysis helps to the manager to concentrate on a strategy which would bring a lot of opportunities and strengths and avoid the weaknesses and threats (Cannon, 2008, 51).

3.1   Strengths and Weaknesses

Both strengths and weaknesses come from within of the company. Strengths contain internal abilities, resources and other positive factors which can influence how the company serves the customers and achieve its goals (Armstrong, Kotler 2013, 82). Strengths can be e.g. customer loyalty, cost advantages, financial resources, modern production facilities, patents etc. (Kurtz 2006, 47).

Weaknesses contain the limitations within the company. It also contains the negative factors which may disturb the company to reach its goals (Armstrong, Kotler 2013, 82). Weaknesses of the company can be e.g. poor market image, deficiency of management profundity, inadequate financing capabilities etc. (Kurtz 2006, 47).

3.2   Opportunities and Threats

Opportunities occur in the external environment. They are positive factors which the company can take to its advantage (Armstrong, Kotler 2013, 82). Opportunities might be e.g. entering new markets, grants, new trends etc, (Kurtz 2006, 47). Palmer names another like: ecological concerns and energy requirements (Palmer 2012, 67).

Threats are untoward factors or trends. The company cannot influence their origins and has to deal with them (Armstrong, Kotler 2013, 82). The threats can appear e.g. in these forms: entry of new competitors, change of government policies, changing of buyer's taste etc. (Kurtz 2006, 47).

II. ANALYSIS

4 METHODOLOGY OF THE ANALYTICAL PART

The goal of my bachelor thesis is to suggest innovations for marketing communication strategy of TERMO SERVIS spol. s r.o. The focus on the communication mix comes from the requirements of TERMO SERVIS spol. s r.o. Innovation and progress is currently of the main interest in the company.

At first, an analysis of the current marketing communication mix of the company was performed. Secondly, the SWOT analysis was assembled, and its results are stated further in the text. Moreover, a qualitative research in a form of half-structured interview with the owner of the company was done, with the aim to understand in which way the company wants to proceed in its marketing communication strategy.

The analyses and the research were evaluated and in the end of the analytical part there is a number of recommendations how to improve the current marketing communication strategy of the analysed company.

5   INTRODUCTION OF THE COMPANY

Name of entity	TERMO SERVIS spol. s r.o.
Standard mark	C 31841 led by Municipal court in Prague
Seat of entity	Brandýs n.Labem-Stará Boleslav, Štefánikova 840
Identification number	49823060
Date of registration	03.11.1994

Table 1: Basic information about TERMO SERVIS spol. s r.o. Source: or.justice.cz

The name of the company is TERMO SERVIS spol. s r.o. This limited liability company was based in 1994 in Stará Boleslav by Jiří Špaček. Since its establishment the company is focusing on service and installation of gas boilers of most famous brands in its field. The company went through a little transformation in year 2002 after which the company started to focus on the service of condensation technology of brands Geminox, Ferromat, Hoval and Buderus, service of pressurized gas and oil burners of Riello, Intercal and Bentone. Since then the company was still expanding its scope of activity and became the service partners of other companies: Vaillant, Baxi, Ferroli etc. For all the brands the company secures the guarantee and post-guarantee service of a complete range of gas and condensation boilers (termoservis.cz). The company provides not only service but also an installation of boilers.

The company employs three technicians who are providing the service and installations and one dispatcher whose work is to answer the phone calls and arrange the appointments of the technicians in people houses. The company does not have its own accountant because it is paying to the external company to take care about the accountancy.

6 CURRENT COMUNNICATION MIX OF TERMO SERVIS SPOL. S R.O.

The promotion mix which is usually called communication mix consists of: advertising, personal selling, sales promotion, public relations, direct marketing and online marketing. The current communication mix of TERMO SERVIS spol. s r.o. is focusing on potential new customers and the already existing customers. The forms of promotion which are used by the company are as follows:

6.1 Advertising

Advertising constitutes the biggest activity of the company regarding promotion. It brings a lot of advantages; the advertising is affecting the costumers repeatedly and does not have to be necessarily financially demanding.

- *Newspapers* – the company paid for an advertisement in newspaper *Mladá Fronta DNES*. More specifically the advertisement appeared once in regional version of the newspaper. The name of the company, its activity and the phone contact was mentioned in the advertisement. Unfortunately the placement for the promotion was not well chosen. The company did not detect any higher demand for its services. The cost of the advertisement was high because *Mladá Fronta DNES* is daily and very favourite newspapers which have high daily sales.

  The company did not focus only on broadly spread newspapers like *Mládá Fronta DNES* but paid for the same advertisement in town newspaper called *Městské listy*. This newspaper is focused on latest happenings in Stará Boleslav-Brandýs nad Labem. The citizens of the town get the newspaper right into their post boxes for free. The advertisement of the company appeared in this newspaper already five times and the company recognized a slight growth of the customers. Therefore the local newspapers proved to be more suitable for a placement of an advertisement.

- *Leaflet* and *poster* – another way of advertising which the company choose are leaflets and posters. The leaflet contains the name of the company, services it offers, the brands of the boilers for which the company provides the services, website address, phone contact on the dispatcher (and the working hours of the dispatcher) and phone contacts on the technicians in case of emergency (problems with boilers endangering the health, the heating does not work in winter, cold water only and etc.). The leaflet was delivered into the post boxes of inhabitants in the chosen

localities of a Central region, with a purpose to attract new customers and to remind the company to the already existing customers.

The advertisement of the company appeared also on a poster which was hanging out in the corridors of apartment blocks and blocks of the flats in Stará Boleslav-Brandýs nad Labem. On the poster the important telephone numbers can be found, such as municipal authority, hospital, doctors, post office etc. These important contacts are located in the centre of the poster and they are framed by the advertisements. The company had this advertisement on the poster:

Figure 1: Printed advertisement of the company on the poster

As it is seen in Figure 1 above, the advertisement contains a logo of the company, name of the company, activity of the company, address of the company, email address and a phone contact.

o   *Magazine* – the company used the opportunity to pay for an article about their activity in the internet magazine called *Magazín podnikání*. The magazine makes a promotion for the companies in the form of articles. The visitors of the webpage can choose the kind of services they need in a certain area and they can read the information about the company, its offers etc. In the article about TERMO SERVIS the basic information are mentioned, such as: phone contact, email address, web address of the company and the seat of the company. The article describes which services the company provides and what the overall situation is concerning solar panels, water pipelines, gas and heating in Central region of the Czech Republic.

6.2   Personal selling

Since the personal selling belongs to the most effective tools of creating the buyer's preferences, the company is paying a lot of attention to it and it is naturally one of the biggest parts of the promotion of the company.

It all starts from the dispatcher of the company. New customers or already existing customers are calling the dispatcher to ask further information of the provided services, they may ask for the price of the services and mainly they arrange the appointments with the technician in their houses. The dispatcher has to make a good first impression, be kind, patient, helpful, using appropriate language, be familiar with basic technical terms from the field and be ready to deal with any request of the customer. He also has to have the ability to convince the customers that the company can deal with their problem or any other request. The company is very careful about hiring new members of staff, so the owner will be sure he will hire a responsible and suitable person.

Contact with the dispatcher is just the beginning. The main part of the personal selling is provided by the technicians. They visit the customer's house and come to a face to face contact with the customer. There is also a contact between the customer and the technicians via phone. Technicians have to leave the good impression, be polite, helpful, explain to the customer where the problem in his device is, and recommend the solution which they can provide. They have to do their work well so the customer will be satisfied with the provided service. Technicians also care about the cleanness of their clothes as they can get dirty while providing the service. It is due to the reason the customer has to get a good first impression from appearance of the technician in his house.

6.3   Sales promotion

The analyzed company does not produce any products, only services. Due to that reason the sales promotion is slightly limited. Sales promotion is usually used to achieve a boost of sales etc. However, one of the main targets of the TERMO SERVIS is to get the regular customer. Only sales promotion which the company offers is the after season sale promotion on the provided services. The season lasts usually from September till February, depends on the weather conditions. It means the sale lasts from March till August. It is advantageous for the company because there is not much demand for its services during these months and because of the discounts on the services, the customer uses the opportunity of a better price and makes an appointment for the service.

6.4 Direct marketing

Direct marketing is focusing at concrete customer. It means the message which the company wants to deliver to the customer is private and determined only to the selected customer. TERMO SERVIS is using three forms of direct marketing:

- o *Information line* – the information line *1188* operates on the Czech market. It is the only information and assistance link of its kind in the Czech Republic. The link answers annually five millions of phone calls. It offers professional solving of emergency situations (locksmith's, electrician's, plumber's, gas heating's) for the households and companies all over the Czech Republic. In most of the regions the non-stop operation is guaranteed (1188.cz). The analyzed company is led in the database of this information line. In case the customer who is calling to the line needs the services which are offered by the TERMO SERVIS (and lives in the same region in which the company is operating), the operator gives a contact on the company. It helps to TERMO SERVIS to get new customers. Here is the statistics of the number of costumers to whom the operators gave a phone contact on the company: August 2013 – 29, September 2013 – 35 and in October 2013 – 33. Only these three months are stated because the owner of the company did not ask the information line for every month statistics.

- o *Letters* – once in three months the company sends letters which are distributed by Česká Pošta to every recorded customer. The letter notifies the customer about the fact that the control (containing maintenance, cleaning and adjusting) of the gas boilers needs to be done once a year. It also contains information (phone number of the dispatcher, working hours of the dispatcher, email address) how to order the provided service. Further, the customer can find there the list of the prices for the control of the boilers. The price of the service depends on the month when the service is done. The customer is also notified that the price does not include the transport and used spare parts.

- o *Stickers on the gas boilers* – another form of direct marketing are the stickers which are glued by the technicians on the gas boilers. On the sticker the name and the logo of the company and phone contacts of the dispatcher and technicians can be found. The sticker meets the function of a reminder as, the customer is reminded

which company is providing the service of his device and should the customer lose the phone number, it can be easily seen on the sticker.

6.5 Online marketing

With the beginning of the Internet the company realized it is necessary to have its own webpage. The company had since then many versions of its own webpage. The recent version (termoservis.cz) is four years old and the company hired an external company to design it. On the current webpage the description of the provided services, the seat of the company and all the contact information can be found.

The webpage is fulfilling the first stage of the online marketing, and it is to inform about the provided services on the webpage. This information could be in a form of printed brochures, but the form of the webpage is cheaper and the information can be quickly and easily updated. The webpage is also fulfilling the second stage of the online marketing. It means the customers can communicate with the company via the webpage. The customers can write their questions or comments to the form which is on the webpage. The question is sent to the company, which can easily send an answer to the customer via email.

7 SWOT ANALYSIS OF TERMO SERVIS SPOL. S R.O.

SWOT analysis is a useful tool which can help the company to realize a focus on the marketing strategy, which will bring a lot of opportunities and strengths and at the same time will fudge the threats and weaknesses. The analysis of the company's strengths, weaknesses, opportunities and threats is as follows:

7.1 Strengths

The strengths of the company are a positive intern factors which the company can influence on its own. Strengths of TERMO SERVIS are:

o *Long tradition (long term activity on the market)*
o *Qualified staff*
o *High technical expertness*
o *Regular training*
o *Using new technologies*
o *Broad database of customers*

7.2 Weaknesses

The weaknesses of the company are the opposite of the strengths. The company can influence them as well as the strengths. In case of TERMO SERVIS the weaknesses are:

o *The company operates in only one field*
o *Lack of technicians during high season*

7.3 Opportunities

Opportunities appear in the external environment and the company should try to take advantage from them. The opportunities which may appear for TERMO SERVIS are:

o *New trends in technologies*
o *Lower taxes*
o *Wholesalers would offer better prices for the spare parts and gas boilers*

7.4 Threats

Threats are external, negative factors which appear on the market. The company cannot prevent them but at least it can try to reduce its impact on the business. The list of threats the company deals with is as follows:

o *Recession*

o *Lack of qualified workers on the market*

o *Increasing competition*

o *Weather conditions*

7.5 Comments on SWOT analysis

The company has a lot of strengths. Mainly it is the long tradition of the company. The company was founded in 1994 and this year it celebrates a twenty years anniversary. Owner of the company, Mr. Jiří Špaček, had his own vision how to run the business and he was sure he would utilize the experience gained during his more than ten year practice in the field of gas boilers. Long tradition goes hand in hand with the experience and a good quality of the provided services.

Qualified staff contributes to company's bigger confidence as well as to a good image of the company. However, this does not come easily. The applicants for the job have to go through a selection process which also includes a practical test which allows the owner to see how skilful the applicants are. The owner is also aware of the fact that he has to invest into the education of his staff.

The company pays a lot of attention to the training of its technicians, therefore, a more profound care of the new devices and of the service can be taken using the newest technologies available on the market. Of course the trainings are expensive but they pay off. When the company wants to hire a qualified staff the trainings are a must.

Using new technologies belongs to one of the biggest advantages over the competition. The company is very concern about being able to offer the services even on the newest devices. It means the company invests in many new devices which can be used while providing the service. They allow making the work more effective.

Also during the period of twenty years the company created a rich customer database (about three thousand of customers). Each customer has their own file in the company database. Each file contains customer's phone contact, address, device they own and all the services which were done on the device so far.

As far as the weaknesses are concerned, one of the main weaknesses of the company is that it operates in only one field. Opening a new branch would mean a big investment, looking for a profitable location and also looking for a new and reliable staff. Due to that the elimination of this weakness would be complicated and very costly. The company also suffers from the lack of technicians in the high season. Problem would be solved by hiring new technicians, unfortunately, this is not an easy issue. In less profitable season there would be not enough job for all technicians.

As for the opportunities, the biggest opportunity for the company would be the implementation of new technologies. In case of a new technology on the market, the company is trying to get familiar with it as soon as possible as well as to acquire the knowledge about how to use it. It also gives an advantage to the company over the competition.

Company might also take the opportunity of an agreement with the wholesalers and producers of gas boilers. The company would buy the goods from the wholesalers, who would offer better prices for their goods. This would be advantageous for both sides.

There is also a list of threats the company has to deal with. Mainly it is the rising competition. In last five years two new companies appeared on the market in the nearby surroundings. These companies are providing the same or similar services as the analyzed company. The newly entered companies are trying to win the customers with a lower price of the services. The customers are enticed by a better price of the competition but do not realize they do not get the same quality of the service as in the analyzed company. The new companies usually lack the experience in the field.

TERMO SERVIS would like to hire a new technician but there is a lack of qualified workers on the market. It is also caused by the new trend that, there are not many apprentices on the job market. Nowadays most of the young people want to study high school or, continue their studies at the university. It follows that there is a lack of apprentices as well as educated young people with the practice. The company also needs to be sure about the qualities of an applicant for the job of a technician because the training of a new technician is very costly for the company.

Unfortunately the threat of the weather conditions cannot be anyhow influenced by the company. If there is a mild winter, it follows that people obviously do not demand the services provided by company as much as they do when the winter is very cold and lasts longer.

Among the threats the recession can be found which leads to the fact that people are saving their money. It follows that they save more and spend less on services. As far as the services provided by TERMO SERVIS are concerned, the people do not realize that, the annual service of their device is also important for their safety.

8 IN-DEPTH INTERVIEW WITH THE OWNER OF THE COMPANY

To get the overview of the current marketing strategy and get to know how the company wants to proceed in its marketing strategy, Mr. Jiří Špaček revealed his opinions about these topics. He is the owner of the company and the marketing manager at the same time. Mr. Špaček is the only person in the company who is in charge of planning the marketing strategy. He admits that there is need for somebody, who would bring new ideas concerning the marketing issues, however, he also realizes that hiring a marketing manager is expensive and the company does not have such a high financial resources to afford it.

The main goal of the company's promotion is to gain constant and stable costumers. There is no interest in getting just occasional customers who would not return for the company's services.

The owner evaluates the leaflets and the letters as the most effective way of the promotion. He says that a lot of customers are referring to this form of promotion when they call to the company to order the service.

The owner does not think about prolonging the service provided by the information line *1188.* He claims this form of promotion is expensive and did not bring any stable customers for the company. He also refuses to pay again for the advertisement in the newspaper *Mladá Fronta DNES* which also proved to be an ineffective form of a promotion.

The current version of the company's webpage is four years old and the owner is not satisfied with its form. He would like to improve it by adding new information about the provided services, introducing individual technicians (their practice, photo) and mainly adding a short video about the company. Creating the video is costly and due to that reason the owner is still postponing this step and searching for an appropriate company who would create a quality video for a good price.

Mr. Jiří Špaček was also asked how much money he would be willing to spend on the promotion of the company. On this question he answered that if it was be only up to him he would make no marketing at all but nowadays the market pushes him to do that because every company which wants to be successful should have a certain form of promotion. Currently he would be willing to spend up to fifty thousand Czech crowns for a promotion.

9 THE SUGGESTIONS FOR MARKETING STRATEGY INOVATION FOR TERMO SERVIS SPOL. S R.O.

The suggestions for the marketing innovation are based on the analysis of the current promotion mix of the company, SWOT analysis and the in-depth interview with the owner. These suggestions might help the owner to find a new way of promoting the company's services and as well as to higher the revenue:

9.1 Advertising

The company has already the advertisement in newspapers, a magazine, on a poster and in distributed leaflets. On the following lines another two recommendations for the advertising are given:

1) **Billboards near Stará Boleslav-Brandýs nad Labem**

Usually on the highways and near the exits from the highways the billboards can be seen. Due to the fact that there is a highway near to Stará Boleslav-Brandýs nad Labem, there is also a good opportunity to use billboards as a form of advertisement. Placing an advertisement on the billboard near the exit of the highway in Stará Boleslav-Brandýs nad Labem can catch the attention of potential customers (most probably the inhabitants of the town).

2) **Stickers on company's cars**

Every technician is provided with a car which he uses for travelling to the customers, therefore, the company's cars are used every day. The stickers would contain the name of the company, briefly the activity of the company, the webpage and a phone contact on the dispatcher. The stickers can catch the attention of the people, who are passing by the car, when it is in the move or when the car is parked somewhere in public.

3) **Uniforms with a logo of the company**

As another form of advertisement the company's uniforms for the technicians can be used. The uniform would be of a grey colour and of a boiler suit form, with a logo of the company on it. The technician's work is very often dirty, therefore, the grey colour would be ideal (the dirt would not be so visible on the boiler suit). Wearing an uniform would create a good image of the company workers, which means a good image of the whole company.

9.2 Direct marketing

As a form of o direct marketing the company distributes the letters to their customers, information line and stickers on the customer's boilers. Here is one recommendation how to possibly improve the direct marketing:

4) **E – mailing**

Sending a letter to every customer is highly costly. Especially when the letters are distributed once in three months to approximately one thousand customers. Therefore it is more effective and cost-saving to send emails to the customers. Of course every email would be personal, it means it would contain salutation of the costumers and information about the service concerning the device the customer owns. To the customers who do not owe an email the letters would be sent via Česká Pošta.

The company can send the emails more frequently than once in three months. Today it is very usual the companies are sending the newsletters and TERMO SERVIS could also find it helpful. Using this way the company might notify the customers about after season discounts etc.

9.3 Online marketing

In today's world social media and the Internet play a big role in everyone's life. It resulted in the fact that the Internet became a place where goods and services are advertised and sold. There is also a higher need for a good company presentation online.

5) **Web page of the company**

The current version of the company's web page (termoservis.cz) is already four years old. It does contain only the basic information about the company. It would be appropriate if the company hired a company which would take care about a new, catchier design of the webpage. The current colours of the webpage are very light and for many of the potential customers might not be very interesting. Using bright, rich colours would be more eye-catching.

As it was mentioned by the owner of the company, adding photos and describing of the experience of mechanics might help to more personal approach. Owner is also thinking about putting a short video on the webpage. It can serve as a presentation about the company.

The web page has currently five categories: *about us*, *provided services*, *list of prices*, *job opportunities* and *contact.* Adding a new category *heating of your home* could bring new visitors to the web page. In this category the possible ways of installation of gas boilers in the flats and family houses would be described. It would be also introduced what the installation takes and every gas boiler would be described according to its effectiveness and suitability for certain needs of the customers.

6) **Facebook page**

Nowadays it is considered that having a promotion on *Facebook* is a must. People usually search for their favourite companies on *Facebook* and add them to their favourite pages. Therefore, it is recommended to create the company's *Facebook* page. The process of creating the webpage is very easy and the owner of the company can do it by himself. The page should contain at least the basic information about the company: contact and the services which are provided. The company can also post their sales promotion, newly offered services and news from the field of its business.

CONCLUSION

In concerns of marketing communication strategy, every company has infinite possibilities to choose from, but it is complicated to find an effective and suitable form of advertisement which will affect certain segment of customers. The trends in marketing are changing rapidly and it is necessary to quickly adjust to the new trends. The goal of my thesis was to suggest a number of recommendations for innovation of marketing communication strategy of company TERMO SERVIS spol. s r.o.

In the beginning of the analysis the company TERMO SERVIS spol. s r.o. was introduced, as well as its activities and history. Even though the company counts for a smaller business, its communication mix can be fully effective.

Three steps follow the introduction of the company, these are as follows: analysis of the current promotion mix, the SWOT analysis and in-depth interview with the owner.

Firstly, I described the current promotion mix of the company in details. The promotion mix of the company is very diverse but the company mostly uses for its promotion the company leaflets and the letters which are sent to every existing customer.

Further was done an analysis of internal and external environment of the company – SWOT analysis. The SWOT analysis was followed by several comments which were for describing in detail the points included in the analysis.

I also took the opportunity to do the qualitative research in the form of in-depth interview with the owner of the company, who answered my additional questions concerning the current company's marketing communication strategy.

The analysis showed that the company does its marketing well, however, some drawbacks can be found. The company can consider the suggestions (billboards, stickers on company's cars, uniforms with the logo of the company, emailing, updating the webpage and creating a Facebook page) and possibly implement them into their marketing communication strategy which would be effective and cost-saving at the same time.

BIBLIOGRAPHY

Printed sources:

Armstrong, Gary, and Philip Kotler. 2013. *Marketing: an introduction*. Harlow: Pearson.

Blythe, Jim, and Alan S. Zimmerman. 2005. *Business-to-business marketing management: a global perspective*. London: Thomson Learning.

Cannon, Joseph P, William D Perreault, and E McCarthy. 2008. *Basic marketing: a global-managerial approach*. New York: McGraw-Hill.

Doole, Isobel, and Robin Lowe. 2008. *International marketing strategy: analysis, development and implementation*. London: Gengage Learning EMEA.

Foret, Miroslav. 2001. *Marketing: základy a postupy*. Praha: Computer Press.

Foret, Miroslav. 2003. *Marketingová komunikace*. Brno: Computer Press.

Kotler, Philip, and Gary Armstrong. 2005. *Principles of marketing*. Upper Saddle River, NJ: Pearson Prentice Hall.

Kotler, Philip, and Kevin Lane Keller. 2011. *Marketing management*. Prentice Hall.

Kotler, Philip. 2007. *Moderní marketing*. Praha: Grada.

Kotler, Philip. 2003. *Marketing od A do Z: osmdesát pojmů, které by měl znát každý manažer*. Praha: Management Press.

Kurtz, David L, and Louis E Boone. 2006. *Principles of marketing*. Mason, Ohio: Thomson/South-Western.

Mohammed, Rafi. 2004. *Internet marketing: building advantage in the networked economy*. Boston: McGraw-Hill/Irwin MarketspaceU.

Palmer, Adrian. 2012. *Introduction to marketing: theory and practice*. Oxford: Oxford University Press.

Pickton, David, and Amanda Broderick. 2005. *Integrated marketing communications*. Harlow: FT Prentice Hall/Financial Times.

Pride, William M. and O. Ferrell. 1997. *Marketing: concepts and strategies*. Boston: Houghton Mifflin.

Sharp, Byron. 2013. *Marketing: theory, evidence, practice*. South Melbourne: Oxford University Press.

Urbánek, Tomáš. 2010. *Marketing*. Praha: Alfa Nakladatelství.

Zikmund, William G. 2003. *Exploring marketing research*. Mason: Thomson.

Internet sources:

Forbes. http://www.forbes.com/sites/sap/2013/01/16/22-best-marketing-quotes-to-drive-your-marketing-strategy/ (accessed August 18, 2014).

Produkty a Služby 1188. http://www.1188.cz/produkty-a-sluzby (accessed August 10, 2014).

TermoServis. http://www.termoservis.cz/o-nas/ (accessed August 2, 2014).

Veřejný rejstřík a sbírka listin. https://or.justice.cz (accessed August 2, 2014).

LIST OF TABLES

LIST OF FIGURES