

# **A Promotional Mix for the Handmade Paper Mill Velké Losiny**

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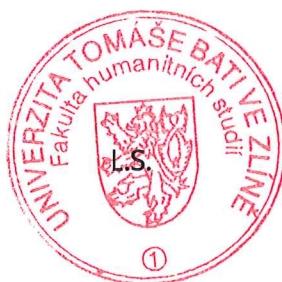
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## **ABSTRAKT**

Tato bakalářská práce se zabývá nástroji propagace firem, což je důležitá věc k získání si povědomí zákazníků, což je klíčové pokud chce firma prosperovat. V teoretické části se zaměřuje na marketing a marketingovou komunikaci obecně a následně v praktické části zkoumá nástroje propagace ruční papírny Velké Losiny. Cílem této práce je zjistit jaké metody komunikace se zákazníky ruční papírna používá a popřípadě navrhnout zlepšení.

Klíčová slova: ruční papír, ruční papírna, marketingový komunikační mix, komunikace

## **ABSTRACT**

This bachelor thesis is concerned with marketing communication which is important thing for companies to consider in order to reach public awareness which is essential if the company wants to be prosperous. Thesis is divided into two parts: theoretical and analytical. Theoretical part focuses on marketing and marketing communication theoretically and afterwards in analytical part is introduced handmade paper mill Velké Losiny and explored tools of marketing communication used by paper mill. The aim of the thesis is to suggest a proposal for improvement of the current situation in paper mill.

Keywords: handmade paper, handmade paper mill, promotional mix, communication

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## INTRODUCTION

In current world full of modern technologies are very few companies that still use over centuries verified traditional techniques of manufacture. One of these companies is the paper mill Velké Losiny, which is one of the very few handmade paper mills in the world. The Paper Mill Velké Losiny was established at the end of the 16<sup>th</sup> century, therefore is the oldest paper mill in Czech republic and remains one of the most known and visited places at the foothill of Jeseníky. The main activity of the paper mill is production of the handmade paper, made of linen and cotton. The paper mill also enables customers to take a look inside and see the whole unique technique of handmade paper and those who are interested in this process could make their own paper.

Every single prosperous company needs to use a promotional mix to spread a word about their company and gain new customers. This bachelor thesis is dedicated to the promotional mix of the paper mill Velké Losiny. In general, it does not matter if the company is big, small or well-known among consumers, all of them are part of a system of companies, suppliers, retailers, distributors and others who co-operate to achieve their objectives. In order to reach their goals, companies need to use marketing communication with audience to meet their needs and wishes. Thanks to marketing communication audience associate companies with places, brands, people, feelings and experiences.

This bachelor thesis is divided in two parts, theoretical and analytical. Theoretical part is concerned with marketing, service marketing, marketing mix and promotional mix. Analytical part is focused on the introduction of the handmade paper mill Velké Losiny and products and services provided by paper mill. Afterwards there is analysed promotional mix of the handmade paper mill and compared with other two significant cultural monuments in Velké Losiny, the castle Velké Losiny and thermal spa Velké Losiny. After evaluation of internal and external factors influencing the operation of the paper mill are suggested recommendations and showed the results of the research.

## I THEORY

## 1 MARKETING

Marketing is a social and managerial process which helps customers to fulfil their desires and needs. People's needs are limited but their wishes are unlimited. However there is not enough resources to create all wanted products and services. Desired products and services could be gained by own production or most commonly among companies by exchange. It could represent exchange between individuals or groups of people. On the contrary on the consumer market the exchange is for one group of people a managing process accomplishing the market's needs.

Company usually tries to maximize a profit or to reach a market share. On the other hand there is the second group of people that only fulfils their desires and needs. Marketing is not just about product itself but starts with determination of customer's needs and profitability and continues for the whole lifetime of a product. One of the founders of modern management Peter Drucker claims that it is very important for marketing to make selling superfluous. The aim is to know and understand the customer so well that products and services exactly suit him, therefore are easily sold. The key marketing conceptions are needs, wishes, demand, supply (products, services, experiences), value, satisfaction, exchange, transaction and market. (Kotler, 2015, 15 -18)

### 1.1 Service marketing

Marketing of services was in the past very underestimated and was seen as estates that does not produce any value. To the huge development and to another view of services happened at the 90's. The basis of services was defined by American authors Kotler and Armstrong who claimed that service is any kind of activity or advantage which could be offered by one site to another. Service is mostly immaterial and its outcome is not possession. (Janečková 2001, 12)

#### 1.1.1 Characteristics of services

Services have specific characteristics which makes them different from products.

- **Intangibility** is the most specific characteristic of the services. Service cannot be evaluated by any physical characteristic. It cannot be seen or tried by customer before is bought. When customer is in a process of buying service he can verify reliability, credibility, certainty and personal attitude of a provider of a service, these are elements determining quality. It results in uncertainty of a customer, he has worsened choice due to

great competition. Service marketing tries to eliminate this uncertainty by marketing mix and focuses on creating strong brand and on boost of the good name of the company.

- Another specific characteristic is **inseparability**. Service is provided in the presence of the customer, which means that he becomes inseparable part from the production of the service. Provider of the service and user need to meet in a certain place in a certain time in order to implement the service. The customer does not necessarily need to participate the whole process of providing the service, for example in the restaurant, customer does not attend the process of preparing the food. On the other hand when he is at the doctor, doctor cannot examine patient without his presence. In some cases can be producer replaced by machine for example cash dispenser, but also here occurs to the interaction customer – producer.

- **Heterogeneity** is another element of characteristics of services. The quality of a certain service may differ even in one organization and it could happen to one employee, for example one hairdresser can offer different quality of the service than another one. The heterogeneity of services and the presence of so many people leads to the fact that entering the market of services is easier but there is a huge amount of competition. There is a limited opportunity to patent services.

- The fact that service is **intangible**, means that it cannot be stored, returned or sold again. That means that services are destructed for certain moment. In some cases, services with not so good quality could be complained or replaced by providing another service or discount. Marketing tries to harmonize demand with supply, which leads to flexibility of price of the services. Company needs to determine regulation in order to comply customer's complaints, design a plan of demand and make use of all capacity

- The last specific characteristic of services is **impossibility of service's possession**. When customer buys a service he does not gain any ownership in exchange for money, he only buys entitlement to provide the service, for instance right to use means of transport or right to see the movie in a cinema. The impossibility to possess a service influences distribution channels, so the ways how is service delivered to a customer are usually direct and short. The management should emphasize advantages of services and the fact that they cannot be possessed. (Vašítková, 2008, 20 – 24).

## 2 MARKETING MIX

Everyone who produces products or services knows how significant for them is when customer speaks about them in a good way and recommends their products and services to others. This act is called verbal commercial and company could benefit by this act or could be harmed. According to research it was discovered that if customer is satisfied with a product or service then he spreads his experience to four to five friends or family members on the other hand when he is not satisfied then he spreads the message to another 11 people. However the verbal commercial is not enough for the company no matter how positive it would be, company needs to communicate with current and potential customers and also with general public in order to do that, they use marketing mix. (Janečková, Vašítková. 2001, 130).

The marketing mix is very important for marketing managers who need to make decisions and consider variety of possibilities before the product or service could be delivered to a customer. The items of marketing mix are invariable and they can differ individually in intensity and order. The purpose of marketing mix is to satisfy customer's needs and to make a profit. It is one of the most significant basis of marketing strategy of an organization. Marketing mix was firstly formulated by Neil H. Borden and afterwards E. Jerome McCarthy defined marketing mix as we know it today. Marketing mix of a product contains four items: product, price, place, promotion. Marketing mix of services is enlarged because of distinctive attributes of services, therefore contains also people, packaging, program coordination and partnership. (Ang, 2014, 18 – 20).

### 2.1 Marketing Mix 4P

Marketing mix is used to differentiate product, service or whole company from competition through which is created a certain position in customer's eyes. As it was mentioned above marketing mix 4P contains product, price, place and promotion but thanks to more complex customer's wishes and needs which means that customer wants products and services with better quality. It is also supported with improvement of technologies such as internet and e-mail, etc. (Eagle, 2015, 38 – 39).

#### 2.1.1 Product

Product is characterized as everything that organization offers in order to satisfy customer's need it does not matter if those wishes and needs are material or immaterial. The key element defining product is quality. This is important due to the fact that there is a

huge competition on the market. Except quality, product needs to have other distinctive features such as packaging, labelling, safety, environment friendliness, guaranties and so on. In case of packaging management also need to consider functionality, attractiveness and convenience.

Product contains three layers, the first is a core, which is a product or service itself. Next layer is a wrap that is design, quality style and brand. The last layer includes warranty, credit, installation and delivery. (Kaftan, 2010, 176).

### 2.1.2 Price

When manager makes decision about the price, he considers costs of the organization and price of the competition therefore he tries to find the way to compromise between making a profit and also setting the price which would be affordable for customer.

Services have inanimate characteristics, so price belongs to one of the most significant features of its quality. There are several methods of the price determination that must be considered before the price of the product or service is set. Dominant determinants of the price are costs, competition and demand. (Kaftan, 2010, 177).

- Cost based method is specified by adding profit to the product cost. There are two forms: cost plus pricing and target profit pricing. Cost plus pricing includes fixed and variable costs such as manufacturing cost, marketing cost, distribution cost and profit. This method is often used to price services, it is safe for producer and also for buyer it protects their interests and position. The frequency of this method depends on the company. The second method is a target profit pricing which is also called break-even point. Break-even point is a level in which company does not make any profit and also does not fail to the profit. Marketing is trying to keep the level above the break-even point, where the business is profitable. This method is effective for fixing up a price of a new product.
- Price dependent on the demand is determined by the amount of demand. If the demand is high, the price will be higher and if the demand is low also the price will be lower. The price could also be effected by the intensity of customer's needs and wishes for the certain product or service. This method of pricing is also effected by place, time and customer. For instance, the price of the hotels is higher during season or a book in a hard cover is more expensive than the same paperback book.

- Price dependent on a competition is popular among retailers. The price does not automatically need to be same as the price of the competition it could be slightly higher or lower. It also helps to prevent price wars among competition. (Hubpages, 2012).

### **2.1.3 Place**

Place is a distribution channel, the way how product or service is delivered to the customer. It is used as a way how to facilitate customer's access to a product or service. Manager who makes a decision about place must be aware of suitable intermediary who supplies goods or services.

The distribution channel starts when producer finishes goods and they can be delivered directly to the customer but there are also other ways that includes several parties such as wholesalers, intermediators, agents and retailers. They take care of finance and logistic such as credits, transport, etc.

To a modern forms of distribution belongs multilevel marketing which works on bases of direct selling through independent distributors such as dealers or franchisees who sell products provided by a parent company. Independent distributors create their own branches of similar dealers which results in expand. These independent agents benefit from the difference between the retail and wholesale prices. (Kaftan, 2010, 179).

### **2.1.4 Promotion**

The core of the promotion is in communication between organization and the current and potential customers. Basically, the purpose of the objective is to make these people aware of company's offer, create their desire for the product or service and convince them to actually invest in the company's merchandise. Marketers are using promotional mix in order to make people aware of company's offer. Promotional mix is described below. (Kaftan 2010, 177 – 178).

## **2.2 Marketing Mix 8P**

As it was mentioned above, services due to their immaterial characteristic cannot be specified only by 4P in order to create an effective business plan, therefore they need to be specified by enlarged marketing mix which contains except the basic four items – product, place, promotion and price also people, process, physical evidence and packaging. (Vašítková, 2008, 26 – 27).



### 2.2.1 People

In order to provide service to the customer, there is a contact between provider of the service - employee and user. This is the reason why people are significant item of marketing mix and directly influence quality of the service. Due to the fact that customer is also a part of the service, he more or less influences the quality of the service. Company should focus on recruitment, training and motivation of employees. In the interest of positive relationship between employees and customers, organization should mark out certain rules for behavior of customers. Distinctive desires and needs of the customer are connected with different benefits for the customer. That is the reason why marketers should evaluate customer values.

- The customer value concept basically considers the benefits and its costs from the customer's point of view. Customer would be more likely appeased when the benefits would be much higher than costs. On the other hand it does not mean that the good or service with lower price has bigger customer value it all depends on what kind of benefits are offered to the consumer. The best way how to strengthen customer value and defeat competition is to find out desires that competitors did not even think about. Satisfied customers are more likely to buy certain goods or services again therefore it is necessary to build a strong relationship with the customer. (Perreault, 2010, 19 – 20).

### 2.2.2 Process

During the process of providing the service to a customer occurs the interaction between provider of a service and customer which is the reason why to concentrate on the way how the service is provided. For example when customers wait too long in a restaurant or at the doctor they leave unsatisfied. When applicant for a health insurance does not hear all benefits of the product and why this certain product is better than those of other insurance companies, than the whole process is not managed. This is the reason why it is necessary to execute analysis of processes, classify them and simplify individual steps of the processes. (Vašítková 2008, 27).

### 2.2.3 Physical environment

Physical environment is important for producers and also for customers that is the reason why offices and shops should look pleasant and well-kept. Employees and

customers would feel much better in a clean, ordered environment. It has a positive impact on customer's view of a service.

#### 2.2.4 Productivity

Productivity is always connected with quality. Organization provides the best of them, uses the best products to reach the quality and also usually tries to offer it to customers with affordable price. (Marketing and branding, 2012).

### 2.3 Promotional mix

#### 2.3.1 Advertising

First type of promotional activity is **advertising** which spreads commercials through media or passes them directly by direct mail to the people who make their own buying decisions and the third option is to invite them to exclusive actions like exhibitions. (Přikrylová Jana, Hana Jahodová 2010, 66 – 68).

#### 2.3.2 Sales promotion

Another type is **sales promotion** which is a type of communication that aims to increasing sales by short-term impulses such as in-store actions, hanging out posters, which allows customers to easily recognize the product and differentiate brands, passing out samples for free, advantageous price, tempting introductory and refunds.

#### 2.3.3 Public relations

Third type of promotional activity is **public relations and publicity**, which contains planned events organized to create or improve the image of the company. Another purpose of these events is to make a good relationship with the public with help of presentations, press conferences, convenient reviews, etc.

#### 2.3.4 Personal selling

**Personal selling** is a form of a direct communication between current or potential customer and the representative of the organization, usually employee. Face to face conversation is useful in order to explain the use of a product or service to a customer and to give them qualified advice. Nowadays is used word-of-mouth marketing which is based on usage of social media and electronic devices in order to deliver marketing message from one person to another.

### 2.3.5 Direct marketing

**Direct marketing** is targeted directly to the certain customers rather than to mass audience. Marketers are using two ways of direct marketing, first one is sending leaflets by mails and the other one is sending e-mails directly to the customers. It is type of a one way communication with the customer about special offers, order confirmations, news about products or services and so on. (Kaftan, 2010, 177 – 178).

### New trends in marketing communication

The world changes fast and with that appears changes in technologies people use every day. Marketing and marketing communication had to adapt to the today's digital world in order to perform successfully.

### 2.3.6 Digital marketing

Digital marketing promotes goods or services with the help of electronic media. It uses channels and methods which show the company analysis of marketing campaigns that help them to see what is effective and what simply does not work. Marketers examine the amount of views, how often and for how long is it happening. The most significant communication channel used by digital marketing is probably internet but also other channels are in use, such as wireless texting, mobile applications, instant messages, digital television, radio channels, electronic billboards, etc.

Digital media is a popular and ever-present way of entertainment and source of any kind of information. Therefore it is important to build a trustworthy and good name of the company and get to know very well target customers so communication channels could be adapted to them. Communication through digital media is cheaper than using traditional media and that is why there is a huge number of competitors and therefore it is not easy to catch consumer's attention. (SAS, 2014).

### 2.3.7 Internet marketing

Internet marketing, also known as a web marketing or online marketing is a tool of promotion of goods, services or brand through internet. The way how to get to the target customers is through wireless communication for example e-mail marketing. Internet marketers also use advertising, designing, development and sales. It is one of the biggest and effective tool to get to millions of people. Internet marketing uses methods such as commerce blog or site, advertisement banners appearing on others websites, sending e-

mails to target customers, promotion through social media, etc. (Přikrylová, Jana and Hana Jahodová 2010, 215 – 218).

### **2.3.8 Affiliate marketing**

In the process of affiliate marketing is essential relationship between three parties: advertiser, publisher and consumer. Advertiser is an organization which sells products or services and pays others in order to help them with selling and promotion of their business. Publisher earns a profit in exchange for promotion of advertiser's business. The promotion happens through publisher's website where are placed links, banners, text advertisements or phone numbers referring to advertiser. The last participant in affiliate marketing is a consumer who finds the advertisement or link at the publisher's website and by clicking on it or filling out information it leads him to the advertiser's website. (CJ, 2015).

### **2.3.9 Viral marketing**

Phenomenon of today's marketing is also so called "viral marketing" spread mostly by social network through self-replicating viral processes to spread viruses and message that tries to increase the brand awareness among public presented in videos. (Kotler, 2010, 178). The purpose of viral marketing is to make interesting, funny or shocking video, picture or application which would be enough interesting to audience that they would share it with friends and family so the message would get to thousands of people. (Media Guru, 2015).

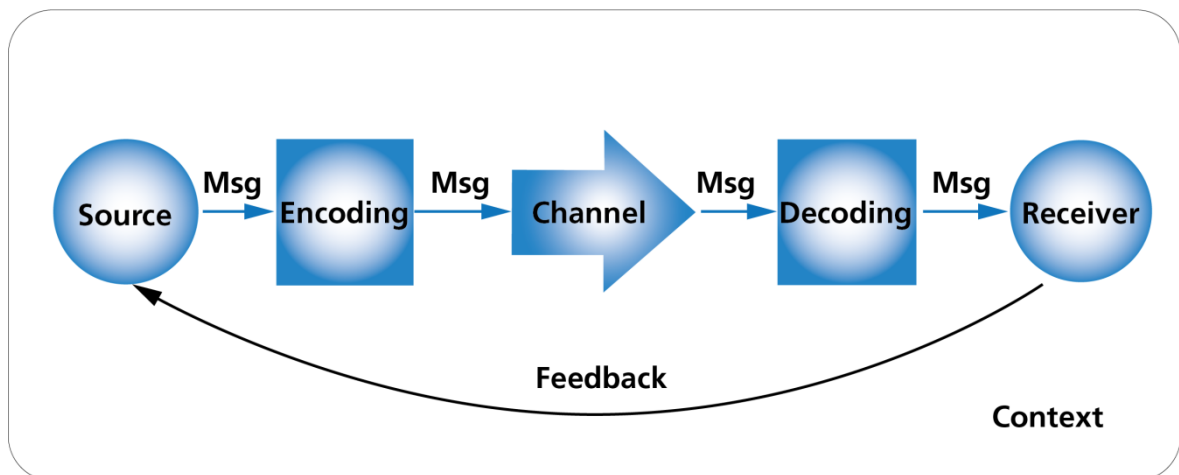
### 3 MARKETING COMMUNICATIONS

The role of marketing communication is very important to all companies that want to be successful. Communication in general is a handover of certain information from source to recipient. Marketing communication could be characterized as all means of communication used by organization to inform, influence or convince current and potential customers. Basically it is a voice of an organization, it is the way how to make a relationship with a customer and evoke communication and strengthen loyalty of a customer. Marketing communication also explains customer everything about product, so customer remembers easily who produces it. Thanks to marketing communication audience associate companies with places, brands, people, feelings and experiences.

The theory of communication appeared for the first time in USA in 1940's by mathematical definition of communication theory created by Claud Shannon, which should have improved the output of telegraph. This linear system includes the source of information, transmitter and receiver. (Eagle 2015, 38 – 40).

#### 3.1 Process of Communication

##### The Communication Process



Courtesy of Mindtools

Picture 1: The Communication Process (Employee insights, 2014)

The term process of communication means transfer of information by means of suitable intermediary from sender to receiver. This kind of communication takes place every day between seller and buyer, company and its current and potential customers. Communication process also concerns employees, trading partners, suppliers, shareholders, investors, non-profit institutions and other entities which are interdependent on each other

with companies. Features of a model of communication process are the source of communication, encoding, transmission, decoding, recipient, feedback and communication noise.

The source of communication is an organization, person or a group of people transmitting information to a receiver. Communication thus travels through communication channel. Typical properties of the source are trustworthiness which are objective and truthful sources, another important property is attractiveness which is important in order to catch attention of the audience which is frequently made through the agency of celebrities. Companies reach the effectiveness of the communication when the source of communication and promoted product are in a close relationship. For one thing the source is sometimes intentionally omitted to evoke the impression of independence, to another thing occasionally the source is highlighted if it is a part of company's strategy.

Transmission is a transfer of certain amount of information passed through communication medium from sender to recipient. The purpose of this movement is to catch the attention of an audience and to evoke wish or need that could be only satisfied by their product or service.

Encoding is a transmission containing information understandable for recipient such as words, pictures, music, signs, photographs, charts and so on. Intentionally encoded transmission of a company is for example commercial spot, photograph of a managing director in a newspaper, pictures of employees or products. Essentially transmission has three distinctive features: catch the attention, evoke the action and express the opinion and intention. Unintentional communication often causes that all intentional communication could be seen as unreliable and unrespectable. Example of this kind of action is when an ecological company is accused from environmental pollution and is convicted to pay a high penalty.

Transmission happens through means of communication. Companies need to carefully consider appropriate means of communication for them because in opposite case it would lead to destruction. There are two kinds of channels, one are channels controlled by the company when the source of communication has under control definition and spread of communication. Controlled means of communication are personal and impersonal. Personal communication is the oldest and the most effective one, it is the mutual contact between two people or with one person with a group of people, it cannot be used to a large group of people. In case of impersonal communication is between sender and recipient placed medium however it does not support immediate respond. The other type of means

of communication are uncontrolled by company which are for example praises or slanders spread by customers or competitors. There are differentiated two kinds of forms of communication, the first one is a form of an individual impact, which is for instance personal interview, telecommunication, letters, e-mails, teleconference, etc. The second one, form of an group impact is for example presentation, conference, sponsoring, posters, leaflets or magazines.

Receivers are consumers, customers, employees, general public and others. Receivers could understand information differently.

Decoding is a process of understanding the encoded information by recipient. This act is followed by feedback which is a reaction on previous information transmitted back to the source of communication. When it comes to a personal conversation it is about gestures, manner of speech, on the other hand in case of impersonal conversation is important the activity of recipient such as purchasing of a product, watching a TV show or whether recipient attends company events. Feedback is important to find out how effective communication process is and initiates possible changes.

Noise is identified as a barrier in communication. In view of the fact that marketing communication is in a part of a communication in a broad concept such as personal, professional, friendly or family conversation, there is a huge possibility to have obstacles in conversation. Regarding products of mass consumption there is strong competition which could potentially confuse consumer because the supply is often unclear.

However one of the most important things to do when it comes to marketing decisions is a goal setting. It needs to be based on strategic marketing goals and aim to good name of a company. Factors that influence goal setting are target audience and life cycle of a product. To essential goals belongs providing information, creating demand, differentiation of a product, emphasizing benefit from the product, stability of turnover, taking care of a brand and strengthening of an image. (Přikrylová, Jana, Hana Jahodová, 2010, 17 – 21).

### **3.2 Methods of communication**

Methods of communication are used to encourage buyers to choose the right product or service. Nonetheless, what kinds of promotion aims are currently the most important depends on the situation on the market. For instance, when current and potential customers who have had positive experience with the company, than the promotional goals would

possibly look differently from objectives when customers do not know much about the company or have a negative experience with it.

### **3.2.1 AIDA model**

AIDA is an abbreviation formed from words attention, interest, desire and action. It is important for the firm to catch the attention of the target customers, to make them aware of what the company is offering. Next step is to hold consumer's interest in offered product or service. Stimulating desire is important in order to rate the process and persuade the customer that the one particular product or service is better than others. The last step is the effort to encourage the customer to action so to buy the product or service. (Perreault, 2010, 329).

## **3.3 Situational Analysis**

### **3.3.1 IFE Matrix**

IFE is an acronym for Internal Factor Evaluation. This technique concentrates on internal environment of a company. It is used to indicate strengths and weaknesses of the organization. In case of strengths, company needs to evaluate what they do better than their competitors and in order to find out weaknesses managers should think about areas that could be improved. Every single factor should be assigned a weight due to its importance on a scale from 0,0, which is less important to 1,0 the most important. The value of all numbers together has to equal 1,0. Each factor needs to be evaluated by a number, otherwise all factors would have equal importance and accomplish such a task is an impossible thing to do.

Next step is to rate each factor to find out how strong position it holds. The numbers are ranged from 4 to 1, in which 4 stands for major strength, 3 means minor strength, 2 denotes minor weakness and 1 shows major weakness. Of course numbers 4 and 3 are used to evaluate strengths and 2 and 1 to weaknesses.

The total score is simply all individual numbers summed up. In order to meet new strategies and find out how to help the company to grow it is necessary to do also EFE matrix.



### 3.3.2 EFE Matrix

EFE is an abbreviation for External Factor Evaluation and it is used to evaluate external factors which have an impact on the company and helps to find out its opportunities and threats. When company wants to find out what opportunities and threats may influence them, they use tools such as PEST analysis. There should be identified as many factors as possible, but generally about 10 to 20 factors. As in previous tool, also EFE uses numbers 0,0 to 1,0 to evaluate factors due to their importance. The further rating is also from 4 to 1, but in this case 4 means superior response, 3 above average response, 2 average response and number 1 poor response. The following process is exactly the same as was mentioned above, so individual numbers are summed up.

EFE and IFE have a lot of benefits, such as the fact, that the meaning is clear and not only for people inside the company but also for those outside it is easy to understand. These tools are designed to use only key factors that have an impact on the company. Both could be used to build a SWOT analysis or benchmarking.

On the other hand both can be replaced by PEST analysis and SWOT analysis. Each factor should be considered very specifically in order to avoid confusion. (Strategic management sight, 2014).

### 3.3.3 Benchmarking

Benchmarking is another tool of management and it was introduced by the Xerox Corporation in the early 80s. Benchmarking compares the performance of organization's products or services with the performance of the leading companies on the same field. This analysis helps the company to see what the competitors that are best on the field are doing differently and how could they improve their own performance. Afterwards they adapt the best practices and may set more acceptable objectives. There are identified two types of benchmarking: internal and external. (Management mania, 2013).

### 3.3.4 PESTLE Analysis

PESTLE analysis is used by organizations when they want to follow environment in which they are operating or when they want to let out a new products or services. PESTLE is an abbreviation in which P stands for Political, E for Economic, S for Social, T for Technological, L for Legal and E for Environmental. Every single company should focus on condition that can have an impact on company from the outside, they can distinctively

influence the company as a whole and therefore it is important to know it specifically in order to proper function of the organization. (Pestle Analysis, 2015).

## II ANALYSIS

#### 4 HANDMADE PAPER MILL VELKÉ LOSINY

Paper was invented as a new material in China at the turn of 1<sup>st</sup> and 2<sup>nd</sup> century. It was used for the purpose of writing and drawing. In Europe were first handmade paper mills formed during 12<sup>th</sup> and 13<sup>th</sup> century. The great boom of handmade paper in Europe was recorded after the invention of printing press in 1495 in which was instrumental Johannes Gutenberg. The handmade paper mill Velké Losiny was founded at the end of the 16<sup>th</sup> century by John of Žerotín and with its centuries long tradition belongs to one of the most visited and known monuments in Czech Republic.

While the vast majority of handmade paper mills were replaced by machine production, paper mill Velké Losiny still uses the original and for centuries proven manufacture uninfluenced by new technologies. Handmade paper is primarily made of cotton, linen and cannabis. They also produce products made of handmade paper, occupy themselves with publishing, graphical work and printing production. Nowadays there are in Czech Republic about 20 paper factories but they do not follow traditional procedures so they are not handmade paper mills. According to world databases in the world there are around 3000 handmade paper mills and around 2800 of them are situated in Asia. (Ruční



Picture 2 Handmade Paper Mill Velké Losiny (Ruční papírna Velké Losiny 2014)

papírna Velké Losiny, 2014).

## 4.1 History

The paper mill Velké Losiny was established in 1596, by John younger of Žerotín rebuilt from old corn mill. This date is proved by the oldest discovered watermark in a form of arms of Žerotín dynasty. Even though the operation of paper mill was negatively influenced by witch trials and by epidemic of the plague, paper mill kept producing handmade paper and other products. Since 1970's took place extensive reconstruction of the premises of the paper mill during which was placed there also the museum of paper in 1987. During 1996 was added to the paper mill's compound restaurant and car park. (Sedláček, 2001, 93 – 95).

## 4.2 The present

In 2002 it was categorized by the government to the list of national sights of Czech Republic. Afterwards the whole grounds went through reconstruction which resulted in appearance of paper mill as it is in present. In 2006 paper mill became joint-stock company. Today it remains unique national sight with historical, cultural and technical value. (Sedláček, 2001, 94 – 96).

Nowadays paper mill employs 24 regular employees and during main season, which is from June to September, also about 20 temporary workers who mainly hold the post of the guides in Czech language, English and German.

## 4.3 Products and Services

During producing of the handmade paper are kept the traditional procedures therefore the paper has long lifetime. The material for handmade paper is made of pieces of cotton and linen and prepared material is drawn through sifter with special watermark, which makes every single sheet of paper unique. Afterwards paper is compressed, dried and the whole paper making process is completed with smoothing down the paper on calender. The handmade paper is made in 22 different shades of colours and on customer's request there could be added watermark, blind blocking and gilding. Accept graphic handmade paper, paper mill also produces graphic handmade cardboard or aquarelle handmade graphic cardboard in different scale of sizes.

The paper mill fulfils the wishes of customers and they can order many different products made of paper, mostly wedding announcement cards, birthday cards, business cards, headed papers, marvelous maps pictured on handmade paper, calendars, boxes,

chronicles, stationary sets or calligraphic gift stationary sets which include also sealing wax, seal and ink. These products belong among the most popular ones.

Visitors are enabled to see inner area of the paper mill and experience the process of making handmade paper. There are two tours accompanied with a guide in Czech, English or German language. The first tour is a basic tour, lasts about an hour and leads through the nicest parts of the paper mill and visitors are taken to see the whole papermaking process. This tour includes visit of the museum of paper where visitors learn about the history of papermaking process and about the early forms of machinery production of paper. The second tour is focused on technical equipment of the paper mill, visitors are provided with information about sources of exploitation of power for propelling machines needed for manufacture and about the water structure from historical point of view. This tour is available only during main season, from July to September and lasts about 30 minutes.

Paper mill also offers for the public workshops where customers can make their own handmade paper, handmade paper with watermark, decorative paper, handmade envelope and the package also includes the basis of bookbinding craft. The workshop is approximately 90 minutes long and is for 2 – 10 people, for school excursions is the capacity of the workshop increased to 40 pupils and it lasts about 2 and a half hours. There is also a possibility for companies to attend special workshops maximum of 40 people with catering in the restaurant Losín which is located in a compound of the paper mill and with an accommodation in a villa Žerotín. (Internal sources)

#### 4.4 Price

The price of handmade products is adequate to their quality such a sheet of paper has a hundreds of years long lifetime therefore handmade paper is optimal for international treaties.

On the first tour of a paper mill an adult customer pays 100 CZK, children from 6 to 15 years, seniors and students until 26 years pay 75 CZK and for guided tour in a foreign language customer pays 150 CZK. Families and larger groups of visitors have more favourable price. Second tour about technical curiosities costs an adult person 60 CZK students, children and seniors pay 40 CZK and guided tour in foreign language costs 110 CZK. Children younger than 6 years have a free entrance in both cases.

There is a possibility on the website to book places for sightseeing but the payment is accomplished at the cash desk in paper mill. Because paper mill is popular among foreign customers as well, therefore there is an acceptance of euros. Due to high attendance of the

paper mill price of products and services is in no wise excessive and customers leave satisfied. (Ruční papírna Velké Losiny, 2014).

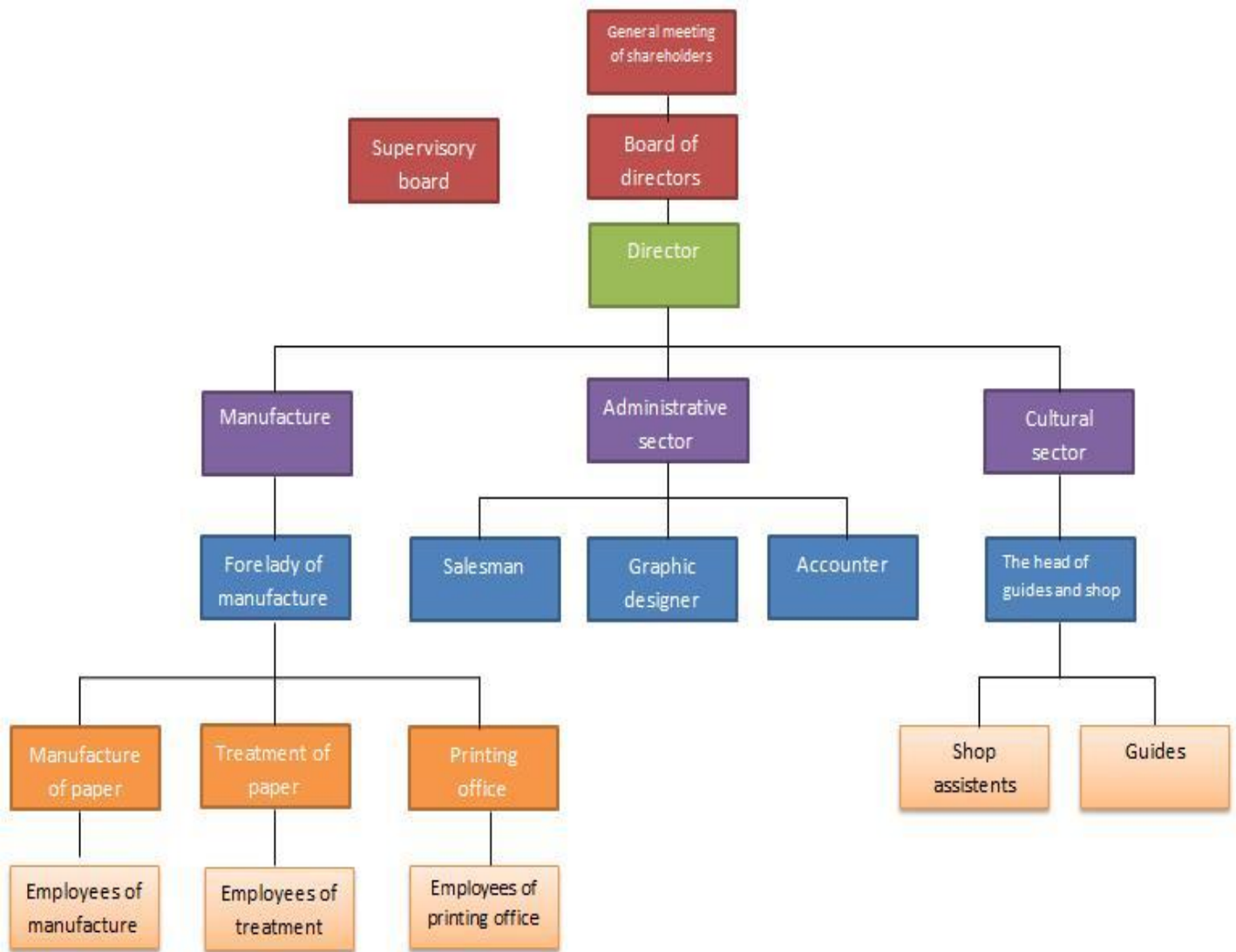
#### **4.5 Place**

The paper mill Velké Losiny is situated on the main street of Velké Losiny, therefore it is located in strategic position at the foothills of Jeseníky. Signposts are clearly visible and they lead drivers tens of kilometers ahead even before reaching Velké Losiny. Even though Velké Losiny is a village comprised of approximately 2.7 thousand inhabitants it has much to offer. Except handmade paper mill is there located castle and spa as well. Nearby is pumped-storage hydroelectric power station and city Šumperk known as a “Gate to Jeseníky Mountains” that offers a lot of cultural activities as well. Clearly tourism is very important for this area and so there is a good accessibility. Visitors can arrive by bus, train, car or bike. (Ruční papírna Velké Losiny, 2014.)

#### **4.6 People**

Paper mill has 25 permanent employees nearly half of them take care of the manufacture while the other half work in administrative field. During season with the helping hand of temporary workers the number of employees increases almost twice.

Organizational structure in case of this organization, which is a joint-stock company, is linear so each subordinate employee has strictly given superior and the other way around. The director is a head of the whole organization and is responsible for all three sectors which are manufacture, administration and culture. Forelady is in charge of the



Picture 3. Organizational structure of the handmade paper mill (own processing) manufactural sector, employees of cultural sector are answerable to the head of the guides and shop. Employees of administrative sector are under influence of the director himself.

Paper mill offers to its customers, goods made of handmade paper, publishing and printing activities, and drafting work. With its wide range of products appeal to huge a huge number of customers. Each order is manufactured individually and it leads to making a strong relationship with customers and therefore to the satisfaction of customer’s needs. Among the most significant customers of handmade products belong universities which



use handmade paper as diplomas, on the list of customers are also government, parliament, ministries and hotels. When it comes to foreign countries, in European Union are the biggest purchasers companies, universities and entrepreneurs from Slovakia, Germany, Great Britain and Austria. Outside European Union paper mill exports handmade paper to Russia, USA and Switzerland. (Internal sources)

According to my research paper mill mostly visit families with children and couples. Majority of them are from Olomouc region and from regions in Moravia. Because of the pleasant atmosphere, possibilities of sightseeing and accommodation in Velké Losiny and neighborhood it is popular place to visit among foreigners as well. Among the most frequent foreign visitors belong Poles for whom paper mill is not so far from the borderline and Germans.

## **5 PESTLE ANALYSIS**

The handmade paper mill Velké Losiny is as every single organization influenced by external forces therefore it is important to make analysis from political, technological, natural and socio-cultural point of view.

### **5.1 Political environment**

The ministry of culture publishes legislation concerned with cultural monuments of Czech Republic and it substantially influences operation of the paper mill. Every single company is influenced by tax policy of the government as well as by value added tax, corporate income tax, health and social insurance. This company acquires subsidies therefore uses tax reliefs. Due to the fact that the company is concerned with import and export, is obligated to abide the laws of the partner countries. Mayor of Velké Losiny supports the tourism development by organizing events such as Film fest Losiny or cultural event called Losinské léto which takes place on the courtyard of the castle of Velké Losiny, this event includes several theatre performances with prominent Czech actors.

### **5.2 Socio-cultural environment**

From the socio-cultural point of view is the company influenced by the purchasing power of customers which is determined by unemployment rate, which was in June 2015 6,2% (Kurzy, 2015), incomes and indebtedness of inhabitants. Current exchange rate and operating costs must be also taken into consideration as well as demographic issues such as population aging. Along with increase of average life expectancy increases the amount of the elderly.

### **5.3 Technological environment**

In today's world companies try to use modern technologies, which are constantly improving, to make their work easier and more effective, handmade paper mill follows proven process of manufacture and in order to do that often uses original devices. Despite the fact that it does not use modern technologies, paper mill is able to expand the portfolio of products.

Modern devices are important tool for marketing communication and paper mill also uses internet in order to promote itself for example on official website or on facebook where consumers find all essential information about paper mill and its products and

services. Paper mill also runs e-shop which is attached on official: website [www.rucnipapirna.cz](http://www.rucnipapirna.cz).

#### **5.4 Ecological environment**

Nowadays the quality of environment deteriorates because of the constant population growth, plentiful amount of rubbish and increasing industrial production, therefore organizations are doing their best to act eco-friendly. Companies need to meet the requirements of the government and build filtering devices which reduces the negative impact on environment. Paper mill does not damage environment during paper-making process and because the handmade paper is made of cotton, linen and cannabis does not destroy trees.

Natural environment does not influence operation of paper-making process and guided tours on the other hand events take place mainly outside of the paper mill therefore weather has a great influence on amount of visitors.

## 6 PROMOTIONAL MIX

Theoretical part introduced and explained the promotional mix therefore this chapter is dedicated to promotional mix of handmade paper mill in practice. Promotional mix consists of how the organization communicates with customers. Promotional mix consists of following communication tools.

### 6.1 Advertisement

The first tool the most frequently spreads commercials through media – newspapers, magazines, billboards, radio, television commercials, etc.

- Billboards

Paper mill used to have marked out certain billboards on frequented roadways primarily in Moravia. Due to the Great Depression which influenced world market they decided to remove them in order to save money. Several kilometers on the way to Velké Losiny are placed direction indicators directly leading to paper mill.

- Radio spot

Throughout the year paper mill organizes special events for general public and in order to promote these events they pay short commercial spot which is broadcasted in prime time at the radio station Český rozhlas Olomouc. The commercial spot is being broadcasted approximately 2 weeks before the event. Český rozhlas Olomouc broadcasts on the area of Olomouc region.

- Newspaper

Velké Losiny publish monthly newspaper which informs inhabitants about cultural events organized over there, therefore provides information about events organized by paper mill.

### 6.2 Sales Promotion

Sales promotion is concerned with short-term activities which help to increase customer's demand. Examples of sales promotion are leaflets, posters, coupons, gifts, product samples, etc.

Paper mill does not use any gifts or free samples as a tool for promotion on the other hand they hang out posters and leaflets in order to raise public awareness of the paper mill and occasional event organized in the grounds of paper mill.

- Posters

Posters are created to inform about special events in paper mill and are placed at the window of the restaurant Losín, in the shop of the paper mill, at the information office and at the notice of Velké Losiny and surrounding villages. Poster contains date of the event and list of all interesting things on which customers can look forward.

- Leaflets

Paper mill does not use leaflets to promote them and their special occasions but film fest Losiny which takes place in the complement of paper mill has printed out leaflets with the list of the movies and basic information about the plot. Leaflets are available in the shop of the paper mill and in restaurant Losín, at the information office of Velké Losiny.

- Booklets

Booklets about the basic information of the handmade paper mill, with just enough information to raise curiosity in potential customers who subsequently would want to see paper mill and wide range of handmade products, are available in the shop, restaurant Losín, at the information office and at the reception of villa Žerotín.

### **6.3 Personal Selling**

Another important tool of promotional mix is personal selling which is crucial for creating a good relationship with a customer. Personal selling takes place in the store of the paper mill, where customers can buy finished goods and tour tickets. Customers also have possibility to make their own paper and other products out of handmade paper. Personal attitude of the employees have positive impact on customers.

## 6.4 Public Relations

PR primarily focuses on customers and their needs. The aim of public relations is to spread awareness of the organization and products and services they offer and to make a good name of the organization as well. Methods of PR are for example events, sponsorship or lobbying.

### 6.4.1 Events in paper mill Velké Losiny

Every year, paper mill organizes certain events in order to entice more customers. Those events are more and more popular among society. To the annual events organized by paper mill belongs Weekend at paper mill, Christmas in paper mill, Easter in paper mill, Valentine's workshop, Children's day and Autumn's atelier. Below are listed those events which are most visited.

- **Weekend at the paper mill** takes place during summer vacation. This year it was organized during the weekend 8<sup>th</sup> and 9<sup>th</sup> of August and visitors were enabled to make their own paper, envelope, marbling of sheets of paper, making notepad, gift card, calligraphy or origami. Children were entertained by trampoline, face painting, slide, bouncy castle, ride on a horse or historical roundabout. Weekend at paper mill also offers annual fair with the possibility of purchasing jewels, syrups from Jeseníky, musts, medical herbs, pastes, candles, etc. Visitors could have refreshed themselves by grilled specialities, draught beer, wine and so on. In the evening was screening of new Czech movie "Home care."
- **Christmas in paper mill** traditionally takes place during second week of December and for customers is prepared rich range of goods such as Christmas and new year's eve cards, handmade papers, books, Moravian wines, jewels, home-made snack and so on.
- During **Easter in paper mill**, visitors could also make their own products out of handmade paper and also thematic Easter decoration. Popular fair and stands with refreshments were there as well. The most appealing thing for customers is a historical book printing, which is a traditional process of copying text to the handmade paper without using any modern technologies.
- In handmade paper mill takes place this August already 5<sup>th</sup> **Film fest Losiny** which is very popular especially among inhabitants of Velké Losiny and neighborhood. It is situated on the lawn in front of the major building of the paper mill. In August 2015 paper mill projects films such as Wolf of the Wall Street, Wild Tales, Moonrise Kingdom and also brand new popular Czech movie The Snake Brothers. Customers can refresh themselves during projection in the restaurant Losín or in the stand with refreshments. Film fest is

organized by Velké Losiny and paper mill is a partner of the film fest. (<http://www.filmfestlosiny.cz/program-2015>). The only projection organized by paper mill is during the event Weekend in paper mill, on 8<sup>th</sup> August 2015 it was Czech film Home Care.

## 6.5 Direct Marketing

Direct marketing is targeted on certain customers and its aim is to cause immediate respond from the consumer and to build long-lasting relationship with them. It connects with the customers by e-mail, telephonically, personally.

As the direct marketing could be considered the possibility for customers to see the whole paper-making process and appreciate uniqueness of the handmade products. Another thing is that customers are enabled to make their own products in the workshop.

## 6.6 Interactive Marketing

Interactive marketing is classified as the online activities which try to inform directly or indirectly current and potential customers about products, services and special events. Interactive marketing uses methods such as e-mails, websites or social media.

- Website

In current world is necessity for organization to have and take care of website, it is a great tool for communication with customers and inform them about products, services and development of the company. Website of the handmade paper mill is easily accessible and offers information in Czech and English language. Director of the paper mill takes care of the paper mill's website. The public can find there also information about the price of tours, e-shop, posters of events and information about workshops.

Paper mill belongs to the association of tourism under the patronage of Jeseníky and therefore on the website of this association [www.jesenikytourism.cz](http://www.jesenikytourism.cz) is a link to official website of the paper mill. The association aims to develop quality of services in the surrounding area of the Jeseníky Mountains.

Another link to official website of paper mill occurs on the online catalogue of the website of project "Kudy z nudy" ([www.kudyznudy.cz](http://www.kudyznudy.cz)) established by Czech central office of tourism. (Internal sources).

- Social media

Paper mill has its profile on facebook and informs audience about new products, services and events. There are placed posters and photographs from special occasions.

Users can interact with the company by writing down their experiences, comments and adding photographs.



## 7 BENCHMARKING

It is a marketing tool which compares certain values, such as product, services, strategy, with competition operating on similar field which leads to finding out space for improvement of company. In this chapter are compared three most significant sights in Velké Losiny: handmade paper mill, spa and castle. The comparison is taken from the customer's point of view.

### 7.1 Castle Velké Losiny

The renaissance castle Velké Losiny was established by Jan Žerotín in 1560's. The castle has three floors and arcades which were added to the building at the end of the 16<sup>th</sup> century. At the beginning of 18<sup>th</sup> century went through reconstruction which resulted in adding additional building, a chapel with paintings decorated by Johan Christoph Handke. Due to financial issues, Žerotín dynasty had to sell the castle to the dynasty of Lichtenstein, who settled there at the end of the 18<sup>th</sup> century until the beginning of the World War II.

The castle belongs to one of the best preserved renaissance monuments in Czech Republic. Wallpapers made of leather and textile are very unique, as well as the oldest tiled stove in Moravia. (Zámek Losiny, 2015).

### 7.2 Spa Velké Losiny

Thermal spa Velké Losiny was established in 16<sup>th</sup> century and therefore it belongs to the oldest and best known spas in Moravia. It takes care of its clients for more than 450 years. Thermal spa is situated into the park-forest where flows curative thermal springs. Spa complex consists of four spa hotels, one wellness hotel and thermal waterpark which is open to public since summer 2015. Spa Velké Losiny belongs to chain of spa and wellness hotels Royal Spa.

Spa Velké Losiny is concerned with treatment of patients with arthritis, conditions after accidents and operations, diseases of muscles and nervous system, skin diseases, symptoms of chronic stress and work overload and oncological diseases. (Termální lázně Velké Losiny, 2015).

## **Website**

Official website is an important tool for marketing communication with customers. In order to be efficient websites need to fulfil certain criteria important for clear arrangement of customer.

### **Paper Mill**

The background of the website of paper mill resembles the handmade paper which clearly refers to product. It is easy for viewer to orient on the website, contact is easily accessible and so are basic information about paper mill, products and services, e-shop, restaurant and accommodation. Photographs are in a high quality and news about paper mill, are clearly visible on the website. Another great advantage is that official website of paper mill is accessible in good quality via smart phone and tablet.

### **The Castle**

Home page of the website of the castle is overembellished with colours and two columns informing about news and events are chaotic and unclear. Home page does not provide basic information about the castle. It is accessible also in English and German, but when visitor changes language into English, home page does not provide any information and there is a blank page and on the right side of the website is placed counter with date and time which is pointless. Contact is easily accessible.

### **Thermal Spa**

On the home page of website of thermal spa, are clearly visible basic information about spa, appealing photographs and a short video which takes viewers to the short tour through the spa complex. In the heading of the website is placed link to the online booking which is noticeable. Contact and price list are easily accessible. Website is available also in English, German, Polish and Russian for foreign clientele. On the right side of the page is placed banner with commercial to the Royal Spa hotels to which Thermal spa in Velké Losiny belongs, disadvantage of the banner is, that it does not scroll down. Important information is placed on the left side but there is way too many information which makes it unclear. It is not clearly accessible through smart phone and tablet.

## **Parking Place**

### **Paper Mill**

In the compound of paper mill is placed parking place for about 25 cars and during season and events when to paper mill come lot of visitors can drivers park their cars alongside of the roadway or next to smokestack which is situated next to the compound of the paper mill.

#### The Castle

By the complex of the castle is placed parking place and in case of lack of parking space there is also possibility to park alongside of the road leading towards castle.

#### Thermal Spa

Each hotel in a complex of the spa has its own parking place and so has the newly built waterpark.

### **Accessibility**

#### Paper Mill

The paper mill is situated by the main road and therefore it is easy to find. Bus stop is situated about 2 minutes by walk from the entrance of the paper mill. Train station is approximately 7 minutes away by walk from the paper mill and the monumental building of the paper mill is clearly visible from the main road so visitors cannot get lost.

#### The Castle

The castle is situated nearby Velké Losiny and except car can visitors also arrive by bus which stops in short distance from the castle. Visitors who come by train do not have the easiest access to the castle on the other hand signposts help them to find the way easily.

#### Thermal Spa

Bus stop is located by the spa as well and the access from the train station is only about 4 minutes away by walk which is a great advantage due to the fact that the majority of visitors who come to the spa arrive along with suitcases.

### **Possibilities of refreshments**

#### Paper mill

In the compound of the paper mill appears well-known restaurant Losín which offers traditional Czech dishes and also fish or vegetarian dishes. Customers can enjoy there also

chilled and hot beverages along with dessert selection. Customers of the restaurant Losín form not only visitors of the paper mill but also local residents as well as customers who do not visit paper mill at all. Restaurant Losín is mentioned on the official website of the paper mill.

#### The Castle

In the compound of the castle is not any restaurant there is only possibility to buy snacks at the cash desk.

#### Thermal spa

In the complex of the thermal spa are four restaurants and café all non-smoking.

### **Amount of events**

#### Paper mill

Throughout the year paper mill organizes 6 special events which are evenly distributed and are very popular among customers. In the compound of the paper mill takes place film fest Losiny.

#### The Castle

In the castle take place 8 special occasions throughout the season. Among the most significant belongs theater performances where play well-known Czech actors. In season 2015 castle organizes exhibition of historical toys or hot-air balloon flights.

#### Thermal spa

The spa does not organize any kinds of cultural events.

### 7.3 Evaluation

Obtained information are evaluated in the following table with numbers 1 to 5 where number 1 is the lowest mark while number 5 is the highest mark.

	Website	Parking place	Accessibility	Possibilities of Refreshment	Amount of events	Total Score
Paper Mill	5	4	5	5	5	<b>24</b>
Castle	1	4	3	2	4	<b>14</b>
Thermal Spa	5	5	4	5	1	<b>20</b>

Tab. 1 Evaluation of benchmarking (own processing)

According to benchmarking is the paper mill most favourable for customer's needs, second is the thermal spa and third castle.

## 8 EVALUATION OF INTERNAL AND EXTERNAL FACTORS

### 8.1 IFE Matrix

IFE Matrix is used for evaluation of internal factors of company which are strengths and weaknesses. Below are listed strengths and weaknesses of the handmade paper mill Velké Losiny and attached table with evaluation.

#### Strengths

- wide range of products
- quality and uniqueness of products
- free parking and entrance on events
- professionalism and experience of workers
- workshops

#### Weaknesses

- lack of customers out of season
- high price of products
- placing of workshops
- inadequate promotion

S/W	Description	Weights	Points	Total
S	Range of products	0,2	4	0,8
S	Quality and uniqueness	0,15	4	0,6
S	Free parking and entrance on events	0,06	3	0,18
S	Professionalism and experience of workers	0,1	4	0,4
S	Workshops	0,1	3	0,3
W	Lack of customers out of season	0,14	1	0,14
W	High price of products	0,07	2	0,14
W	Placing of workshops	0,08	1	0,08
W	Inadequate promotion	0,1	1	0,1
				<b>2,74</b>

Table 2. IFE matrix (own processing)

The total score of IFE matrix for paper mill is 2,74 which means that paper mill's values are slightly above average, which is 2,5.

## 8.2 EFE Matrix

EFE matrix is concerned with external factors influencing the operation of the company, opportunities and threats.

### Opportunities

- gaining new customers
- workshops
- improvement of marketing communication
- suggestion on improvement of events from customers

### Threats

- unfavourable weather conditions during events
- possible lack of employees during event organized by paper mill in main season
- serious fault of device
- low attendance

O/T	Description	Weight	Points	Total
O	Gaining new customers	0,15	4	0,6
O	Workshops	0,1	3	0,3
O	Improvement of marketing communication	0,15	4	0,6
O	Suggestion on improvement of events from customers	0,1	3	0,3
T	Unfavourable weather during events	0,1	2	0,2
T	Serious fault of device	0,2	1	0,2
T	Low attendance	0,1	1	0,1
T	Possible lack of employees during event in season	0,1	2	0,2
				<b>2,5</b>

Table 3: EFE matrix (own processing)

The result shows that paper mill has absolutely values of external factors influencing the company.

## 9 EVALUATION AND RECOMMENDATION

### Events

Paper mill organizes events primarily for the purpose of raise the awareness among customers. In order to promote events are crucial communication tools website and social media where are placed posters with information about events. Posters are also placed in information offices in Velké Losiny and surrounding villages. Since the most visitors come from Olomouc region, events are also promoted by short commercial spots in radio station Český rozhlas Olomouc.

The most popular radio station in Olomouc region is Radio Haná therefore it would be more advantageous if commercial spots would be broadcasted in the prime time of this radio station.

Paper mill should consider placing posters also at the advertising surface in surrounding cities such as Šumperk, Zábřeh na Moravě, Jeseník, Olomouc or Bruntál, alternatively placing leaflets to schools.

### Lack of visitors out of season

Even though events take place throughout the whole year, most frequently visited events are those which take place during summer vacation. In order to increase the attendance of customers, paper mill should come up with special occasions which would entice more customers. Such an occasion could be one week at the turn of the autumn and winter when would all employees wear historical costumes from the 17<sup>th</sup> century which is the time of the founders of paper mill dynasty of Žerotín. It could be appealing for visitors who would feel more connected to the history of the paper mill and handmade paper itself. Visitors would probably welcome also possibility of sightseeing the paper mill in the evening or at night.

Another possibility is to make a package of advantageous products which would contain low-cost accommodation, entrance to the tour in the paper mill, entrance to the thermal water-park, alternatively procedure massage, bath or other procedure in the thermal spa.

Paper mill could also co-operate with schools and schedule the educational excursions to the period when does not have many visitors.



**Workshops**

Workshops are popular among pupils and groups of customers. Anyway during workshops is manufacture stall and employees prepare required tools and afterwards certain amount of workers stay there in order to help at the workshop. Workshop does not have a permanent room and it limits the production. Workshop should have reserved its own space where it would not restrict production.

## CONCLUSION

This aim of my bachelor thesis was to find out and analyse a promotional mix of the handmade paper mill Velké Losiny and suggest recommendation for improvement. The handmade paper mill Velké Losiny was built in a village Velké Losiny at the foothills of Jeseníky Mountains and manufactures hand-made paper for centuries and its products are not only popular in Czech Republic but also in foreign countries. Handmade product are unique because of their inimitability and long lifetime period which could be, supposing that on the hand-made paper are used high-quality writing implements, than it could last over centuries.

Theoretical part gives an overview of the marketing, marketing communication and promotional mix, introduces internal and external factors influencing organizations and explains the whole process of communication. This part shows that marketing communication is very important because of huge amount of competition companies and companies which deal with it would not be unprofitable. There are various kinds of tools of marketing communication and it is only up to organization which it would use in order to promote itself which is depending on target customers. Taking care of the promotional tools can ensure a good and strong relationship with customers.

Analytical part shows that Velké Losiny is an area which has a lot to offer introduces the handmade paper mill and other two significant historical monuments spa and castle and compares them. It is also concerned with promotional mix of the paper mill and after the PESTLE analysis and analysis of internal and external factors influencing the company suggest a few recommendation which could be beneficial for the handmade paper mill.

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## **LIST OF ABBREVIATIONS**

- ABC First abbreviation meaning.  
B Second abbreviation meaning.  
C Third abbreviation meaning.

**LIST OF FIGURES**

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## **APPENDICES**

AP I: Illustration of the questionnaire

AP II: Graphical illustration of the responses



## **APPENDIX P I: QUESTIONNAIRE FOR THE VISITORS OF PAPER MILL**

Questionnaire was given to the customers personally in the restaurant which belongs to the compound of the paper mill. Note: Totally responded 127 customers. Some customers attended more events or visited more sights in the area nearby Velké Losiny.

1. Jaké je Vaše pohlaví?

- Muž
- Žena

2. Kolik je Vám let?

- do 20 let
- 21 – 40 let
- 41 – 59 let
- 60 a více let

3. Jak jste se dozvěděli o ruční papírně?

- webové stránky
- noviny, časopisy
- billboard
- rodina, přátelé
- sociální síť
- jiné \_\_\_\_\_

4. Jaký typ dopravy jste zvolili?

- auto
- autobus
- vlak
- kolo
- chůze
- jiné \_\_\_\_\_

5. Účastnili jste se nějaké události v papírně?

- ano
- ne

6. Pokud ano, jaké?

- Víkend v papírně
- Dětský den
- Velikonoce v papírně
- Vánoce v papírně
- Valentýnská dílna
- Podzimní ateliér
- Jiné \_\_\_\_\_

7. Navštívili jste i jiné kulturně-historické památky ve Velkých Losinách a okolí?

- Ano
- Ne

8. Pokud ano, jaké?

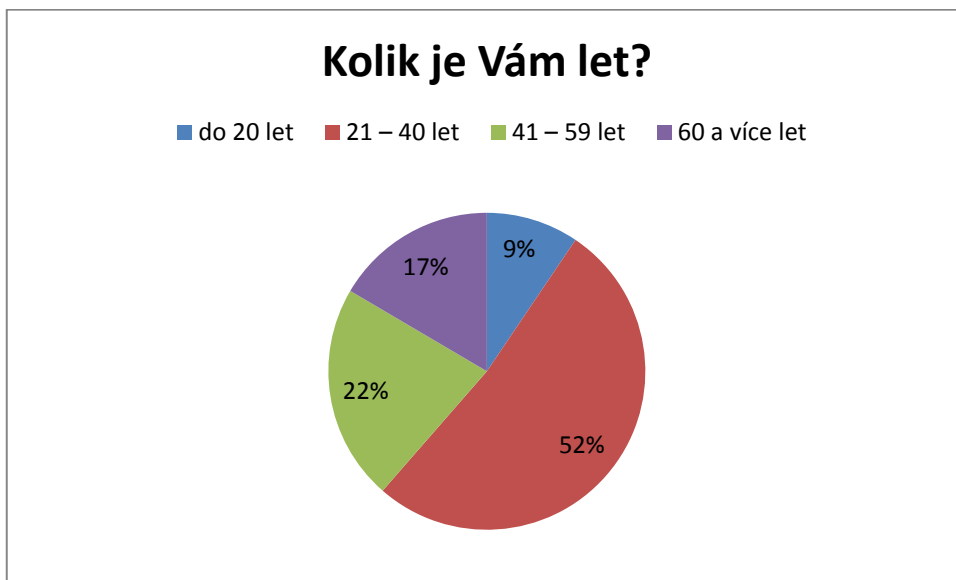
- Zámek a zámecký park Velké Losiny
- Farní renesanční kostel sv. Jana Křtitele
- Velkolosinské sírné termální lázně
- Vodní elektrárna Dlouhé Stráně
- Jiné \_\_\_\_\_

9. Z jakého jste kraje?

- Olomoucký
- Pardubický
- Ústecký
- Jihočeský
- Středočeský
- Plzeňský
- Karlovarský
- Liberecký
- Královéhradecký
- Jihomoravský

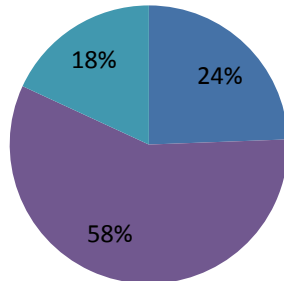
- Zlínský
- Moravskoslezský
- Kraj Vysočina
- Praha
- ze zahraničí \_\_\_\_\_

## APPENDIX P II: GRAPHICAL REPRESENTATION OF RESPONDS



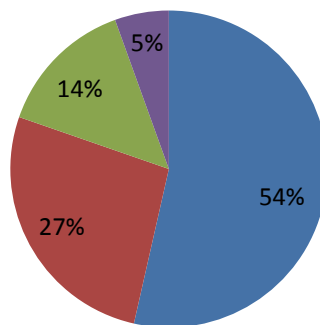
## Jak jste se dozvěděli o ruční papírně?

■ webové stránky ■ noviny, časopisy ■ billboard  
■ rodina, přátelé ■ sociální síť ■ jiné



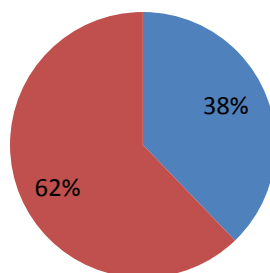
## Jaký typ dopravy jste zvolili?

■ auto ■ autobus ■ vlak ■ kolo ■ chůze ■ jiné



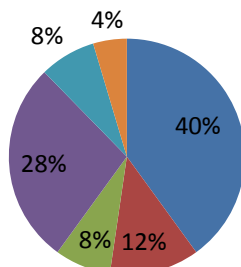
## Účastnili jste se nějaké události v papírně?

■ ano ■ ne



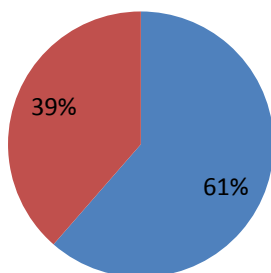
## Pokud ano, jaké?

- Víkend v papírně
- Dětský den
- Velikonoce v papírně
- Vánoce v papírně
- Valentýnská dílna
- Podzimní ateliér
- Jiné



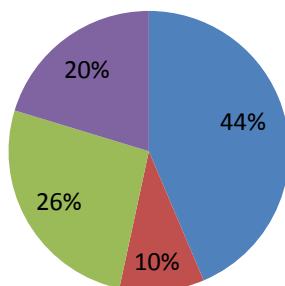
## Navštívili jste i jiné kulturně-historické památky ve Velkých Losinách a okolí?

- Ano
- Ne



## Pokud ano, jaké?

- Zámek a zámecký park Velké Losiny
- Farní renesanční kostel sv. Jana Křtitele
- Velkolosinské sirté termální lázně
- Vodní elektrárna Dlouhé Stráně
- Jiné



## Z jakého jste kraje?

