

Communication mix analysis focused on customer's satisfaction Teilo Engineering Ltd

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Univerzita Tomáše Bati ve Zlíně
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Jméno a příjmení: **Patrik ROUPA**

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Téma práce: **Communication mix analysis focused on customers satisfaction Teilo Engineering Ltd.
(Analýza komunikačního mixu zaměřena na spokojenost zákazníků Teilo Engineering Ltd.)**

Zásady pro vypracování:

1. Study scholarly literature, relevant to the theme of project.
(Prostudujte odbornou literaturu, týkající se tématu práce.)
 2. Implement situation analysis focused on communication mix of company, which will be based on studying literature.
(Na základě studia literatury proveďte situační analýzy, zaměřené na komunikační mix společnosti.)
 3. Make a questionnaire and do a customer satisfaction research.
(Vypracujte dotazník a proveďte průzkum spokojenosti zákazníků.)
 4. Based on analysis results, propose areas, which need attention and ways how to solve recognized inadequacies.
(Podle výsledků analýz, navrhněte firmě oblasti, kterým je třeba věnovat pozornost, a způsoby řešení zjištěných nedostatků.)
 5. Introduce supposed effects of your suggested solutions.
(Uveďte předpokládané efekty Vámi navrhovaných opatření.)
-

Rozsah práce:

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Forma zpracování bakalářské práce: **tištěná**

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[1] SMITH, P. R., TAYLOR, J. Marketing communications: an integrated approach. 3rd ed. London: Kogan Page, 2002. 640 p. ISBN 0 7494 3669 7.

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ABSTRAKT

Abstrakt česky

Má bakalářská práce je soustředěna na komunikaci a komunikační mix společnosti Teilo Engineering Ltd. a návrhy pro jeho zlepšení. V první teoretické části mé bakalářské práce jsem popsal základní poznatky k tomuto tématu. Začal jsem komunikací, následovanou komunikačním mixem a jeho nástroji, poté jsem pokračoval s popisem SWOT analýzy a popisem marketingového výzkumu. V druhé, praktické části jsem představil společnost a zanalyzoval její komunikační mix, poté jsem aplikoval SWOT analýzu a dotazníkové šetření zaměřené na spokojenost zákazníků. Na konci projektu jsem se pokusil navrhnout vhodná řešení, založená na objevených poznatcích, které zlepší komunikační mix společnosti.

Klíčová slova: Komunikace, Komunikační mix, Reklama, Podpora prodeje, Osobní prodej, Přímý marketing, Public relations, SWOT analýza, Dotazníkové šetření

ABSTRACT

Abstrakt ve světovém jazyce

My bachelor's thesis is focused on communication and communication mix of Teilo Engineering Ltd. and suggestions for its improvement. At first I described theoretical problems to this theme. I started with communication, followed by communication mix and its tools, than I continued with situation analysis and marketing research. In the second, analytical part, I introduced company and analyzed the communication mix in the company, than I implemented SWOT analysis and a questionnaire investigation focused on customer's satisfaction. At the end of thesis I suggested fitting recommendations, based on discovered findings, which will improve communication mix.

Keywords: Communication, Communication mix, Advertising, Sales promotion, Personal selling, Direct marketing, Public Relations, SWOT Analysis, Questionnaire investigation

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Motto

“Every young man would do well to remember that all successful business stands on the foundation and morality.”

Henry Ward Beecher

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INTRODUCTION

For my project I chose company Teilo Engineering Ltd., where I have been on placement. Company is situated in South Wales and manufactures and sells titanium components and other titanium parts. In this kind of business is quite strong competition. Company's main effort is to have friendly, especial relationship with each customer and if the company wants to get it, it is very important to know all the customer's needs and wants and use them in a right way. On the assumption that the business wants to be successful in long-term time period, good communication with its customers is necessary. The most important factor of professional communication is to set up all the communication tools integrated and properly, which is also point of my project.

Analysis of communication mix of the company and the suggestions for improvement are the most important subjects of this thesis. Customers are very important for each company and we should say that they are the key element of successful business so it is necessary to set up communication mix and all its parts properly for satisfaction of customers and other target groups

In theoretical part I describe at first what is communication, communication mix and its tools such as advertising, sales promotion, personal selling, direct marketing, public relations. Then I follow it with description of situation analysis such as SWOT, marketing research and questionnaire.

In practical part you can find something about history of a company and basic facts about the company, than I analyze in detail communication mix of a company and its tools. Next point is marketing research. Marketing research is focused, as the title of my project suggests, on customer's satisfaction. If we want to keep all the customers happy we must know, as I mentioned at the beginning, their needs and wants. Questionnaire, which is another point of practical part, can help us to analyze it.

At the end of the whole work I try to find some inadequacies in communication mix and recommend suitable solutions for customer's satisfaction.

I. THEORETICAL PART

1 COMMUNICATION

Communication is a very simple process that we all do all the time. Simple communication process is defined as: The process of establishing a commonness or oneness of thought between a sender and a receiver. [2]

You can see from the definition that all you need is someone to send a message and someone to receive it. So you need three basic elements (sender, receiver and message) of communication for communication process. But each communication process consists not only of these three basic elements, but also of a number of other elements, which influence the communication process and accompany these basic elements. We are talking about encoding, channel of communication, decoding, feedback and noise. After this introduction we know, that each communication consists not only from basic elements but of eight elements together. Let's learn something more about communication process and its elements.

At the beginning of the whole process is the *sender*, who is the person or organization that has information to share with another person or group of people. The sender may be an individual or a non personal entity. The communication process begins when the source or sender selects words, symbols or pictures, to represent the message that will be delivered to the receiver. This process is known as *encoding* and involves putting thoughts, ideas or information into a symbolic form. The sender's goal is to encode the message in such a way that will be understood by the receiver. The encoding process leads to development of a *message* that contains the information or meaning the source hopes to convey. The message may be verbal or nonverbal, oral or written, or symbolic. Messages must be put into a transmittable form that is appropriate for the *channel* of communication being used. The channel is the method by which the communication travels from the source or sender to the receiver. Channels of communication are of two types, personal and non personal. These channels will bring the message to the *receiver*, who is the person(s) with whom wants the sender shares thoughts or information. Receiver will read, hear or see the sender's information and *decode* it. Decoding is the process of transforming the sender's message back into thought. This process is influenced by the receiver's frame or field of experience, which refers to the experiences, perceptions, attitudes, and values he or she brings to the communication situation. Throughout the communication process, the message is subject to extraneous factors that can distort or interfere with its reception.

This unplanned distortion of interference is known as *noise*. Noise is all the error problems that occur in the encoding of the message, all distractions at the point of reception. If the receiver will finally receive the message, the sender can expect some *feedback*. It is the receiver's set of reactions after seeing, hearing, or reading the message. Senders are often very interested in feedback. It is a part of the receiver's response, which communicates back with the sender. Feedback, which may take a variety of forms, closes the loop in the communications flow and lets the sender monitor how the intended message is being decoded and received.

1.1 Communication in marketing

In the marketing, successful communication is accomplished, when the marketer selects an appropriate source, develops an effective message or appeal that the message is encoded properly, and then selects the channels or media that will best reach the target audience so that the message can be effectively decoded and delivered. [2]

Marketing communication or promotion is one of the important parts of a marketing mix. The marketing mix consists of four basic parts (product price, place and promotion), we call them 4Ps of the marketing mix. These four basic ingredients (product, price, place and promotion) can be mixed together in an infinite number of ways to find a right marketing program which will facilitate the potential exchange with consumers in the marketplace. All these four basic elements of marketing mix must be set up properly and must be integrated to get the synergic effect. If you want to be successful in a market you have to sell the right product, for the good set up price, with the excellent function channels of distribution and consumers must know, that the product is for acceptable price on the market and he can buy it somewhere. This information gives them promotion.

2 PROMOTION (MARKETING COMMUNICATION)

Promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. [2]

Promotion has got its own tools, which are called the promotional mix. Promotional mix includes advertising, sales promotion, personal selling, direct marketing and public relations. If you want to get from promotion the expected effect all the parts of promotion mix must be, as I mentioned before, integrated. First tool of promotional mix is advertising, so we can describe it a little bit closer.

2.1 Advertising

Advertising can be defined as any paid form of non-personal promotion transmitted through a mass medium. The sponsor should be clearly identified and the advertisement may relate to an organization, a product or a service. [4]

The key difference between advertising and other forms of promotion is that it is impersonal and communicates with large numbers of people through paid media channels (mass media).

The average European is bombarded daily with a number of advertising messages, from different channels. Branded goods, machine tools, restaurants, prevention and thousand of other goods, services and messages are all promoted through advertising. The battle is to attract and hold attention so that the advertising has the opportunity to generate the desired effects. Rarely can be this achieved by one advertisement. Most often companies use mix of media and advertisements for advertising to generate desired effect. [3]

Advertising media perform the task of delivering the message to the consumer. The advertiser needs, therefore, to select the medium most appropriate to the task in hand, given their relative effectiveness and the budget available. We can choose from different types of **advertising media:**

- Television
- Print media

- Radio
- Cinema
- Internet
- Outdoor advertising

Regardless of the type of organization, and whatever the mix of media used, any promises made must be consistent between different advertisements and must be delivered when the customer demands them. This implies a high level of integration between advertising decisions and their implementation and the rest of the marketing mix elements.

Advertising normally conforms to one of two basic types: **product orientated or institutional.**

Product orientated advertisement focuses, as the term suggests, on the product or service being offered. Its prime task is to support the product in achieving its marketing goals. Product orientated advertising can itself take one of three alternative forms:

- *Pioneering* - is used in the early stages of the life-cycle when it is necessary to explain what the product will do and the benefits it can offer. The more innovative, technically complex and expensive the product is, the more essential this explanation becomes. Depending on the product's newness, the prime emphasis might well be on stimulating basic generic demand rather than attempting to beat competition.
- *Competitive or reminder* - is concerned to highlight the special features of the product or brand as a means of outselling the competition. Usually seller seeks to communicate the unique benefits, real or imaginary, that distinguish the product and give it its competitive edge. Given that most markets are mature and often crowded, this type of advertising is very common and very important.
- *Reinforcement advertising* - This advertising type tends to operate after purchase. It reminds customers that the product still exists and that it has certain positive properties and benefits. It increases the chances of repurchase and sometimes might even persuade consumers to buy larger quantities. The main emphasis is not on creating new knowledge or behaviour but on reinforcing previous purchasing behaviour, and reassuring consumers that they made the right choice in the first place. This kind of advertising clearly relates to established products in the mature stage

of the product life-cycle, where the emphasis is on maintaining market share at a time of major competition.

Institutional advertising is in contrast of product specific advertising. It aims to build up a sound reputation and image for the whole organization to achieve a wide range of objectives with different target audiences (community, financial stakeholders, government, customers). A number of these issues also form an important part of a public relations campaign.

Institutional advertising is important for many reasons, for example pioneering, in the sense of presenting new developments within the organization, image building, or advocacy in the sense of presenting the organization's point of view on an issue. Some institutional advertising might be linked with presenting the organization as a caring, responsible and progressive company.

One of the most critical features of any good and effective advertising is that it must have truth at its core. Advertising simply cannot be used to create a false image, because as soon as consumers try the product or service for themselves, they will compare the reality against the advertising promises and pass judgement.

2.2 Sales promotion

Another tool of promotional mix is sales promotion. It has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating an immediate sale. [2]

If we talk about promotion we must keep in mind several important aspects:

- **First aspect** of sales promotion is that it involves some type of inducement that provides an extra incentive to buy. This incentive is usually the key element in a promotional program: it may be a coupon or a price reduction, the opportunity to enter a contest or sweepstakes, a money-back refund or rebate, or an extra amount of a product. The incentive may also be a free sample of the product, given it hopes of generating a future purchase, or a premium that serves as a reminder of the brand and reinforces its image. Most sales promotion offers attempt to add some value to the product or service. While advertising appeals to the mind and emotions to give

the consumer a reason to buy, sales promotion appeals more to the pocketbook and provides an incentive for purchasing a brand. Sales promotion can also provide an inducement to marketing intermediaries such as wholesalers and retailers. A trade allowance or discount gives retailers a financial incentive to stock and promote a manufacturer's products. A trade contest directed toward wholesalers or retail personnel gives them extra incentive to perform certain tasks or meet sales goals.

- **Second point** is that sales promotion is essentially an acceleration tool, designed to speed up the selling process and maximize sales volume. By providing an extra incentive, sales promotion techniques can motivate consumers to purchase a larger quantity of a brand or shorten the purchase cycle of the trade or consumers by encouraging them to take more immediate action. Companies also use limited-time offers such as price-off deals to retailers or a coupon with an expiration date to accelerate the purchase process. Sales promotion attempts to maximize sales volume by motivating customers who have not responded to advertising. Many sales promotion offers end up being used by current users of a brand rather than attracting new users.
- **A final point** regarding sales promotion activities is that they can be targeted to different parties in the marketing channel. We can say that promotion can be broken into two major categories: consumer-oriented and trade oriented promotions.

Activities involved in **consumer-oriented** sales promotion include sampling, couponing, premiums, contests and sweepstakes, refunds and rebates, bonus packs, price off, frequency programs, and event marketing. These promotions are directed at consumers, the end purchasers of goods and services, and are designed to induce them to purchase the marketer's brand. Consumer-oriented promotions are part of a promotional pull strategy.

Trade-oriented sales promotion includes dealer contests and incentives, trade allowances, point-of-purchase displays, sales training programs, trade shows, cooperative advertising, and other programs designed to motivate distributors and retailers to carry a product and make an extra effort to push it to their customers (push strategy).

Many marketing programs include both trade and consumer oriented promotions, since motivating both groups maximizes the effectiveness of the promotional program. Sales

promotion has been a part of marketing process for a long time, but its role and importance in a company's integrated marketing communications program have increased dramatically over the past years.

2.3 Personal selling

Another tool of promotional mix is personal selling. Personal selling involves selling through a person-to-person communications process. The emphasis placed on personal selling varies from firm to firm depending on a variety factors, including the nature of the product or service being marketed, size of the organization, and type of industry.

Personal selling often plays the dominant role in industrial firms, while in other firms, such as makers of low-priced consumer nondurable goods, its role is minimized. In many industries, these roles are changing to a more balanced use of promotional program elements. In an integrated marketing communications program, personal selling is a partner with, not a substitute for the other promotional mix elements.

Manufacturers may promote their products **directly** to consumers through advertising and promotions and/or **indirectly** through resellers and salespeople. Depending on the role defined by the organization, the responsibilities and specific tasks of salespeople may differ, but ultimately these tasks are designed to help attain communications and marketing objectives.

Personal selling differs from the other forms of communication presented thus far in that messages flow from a sender (or group of senders) to a receiver (or group of receivers) directly (usually face to face). This direct and interpersonal communication lets the sender immediately receive and evaluate feedback from the receiver. This communications process, known as dyadic communication (between two people or groups), allows for more specific tailoring of the message and more personal communications than many of the other media discussed. The message can be changed to address the receiver's specific needs and wants.

In some situations, this ability to focus on specific problems is mandatory: a standard communication would not suffice. Consider an industrial buying situation in which the salesperson is an engineer. To promote company's products and/or services, the salesperson must understand the client's specific needs. This may mean understanding the tensile

strength of materials or being able to read blueprints or plans to understand the requirements.

Personal selling is important in selling to consumers and resellers. Consumer-product companies must secure distribution, motivate resellers to stock and promote the product, and so on.

Today salespeople are information providers, influencers through proximity (i.e. through personal contact), demonstrators and engage in:

- **Surveying – educating themselves more about their customer’s businesses and regularly assessing these businesses and their customers to achieve a position of knowledgeable authority.**
- **Mapmaking – outlining both an account strategy and a solutions strategy (for the customer). This means laying out a plan, discussing it with the customer, and revising it as changes require.**
- **Guiding – bringing incremental value to the customer by identifying problems and opportunities, offering alternative options and solutions, and providing solutions with tangible value.**
- **Fire starting – engaging customers and driving them to commit to a solution.**

This new role creates added value and develops a long-term relationship between buyer and seller - relationship marketing. [2]

A number of criteria may be used to evaluate the contribution of the personal selling effort to the promotional program. They include:

- Provision of marketing intelligence – the ability of the sales force to feed back information regarding competitive programs, customer reactions, market trends, and other factors that may be important in the development of the promotional program.
- Follow-up-activities – the use and dissemination of promotional brochures and correspondences with new and existing customers, providing feedback on the effectiveness of various promotional programs.
- Program implementations – the number of promotional programs implemented, the number of shelf and/or counter displays used, and so forth, the implementation and assessment of cooperative advertising programs.

- Attainment of communications objectives – the number of accounts to whom presentations were made (awareness, evaluation), the number of trial offers accepted, and the like.

2.4 Direct marketing

Is defined as an interactive system of marketing which uses one or more advertising media to effect a measurable response at any location, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers. [4]

The key word in this new definition of direct marketing is the phrase *on-going direct relationship*, which implies continuity and seems to contradict the impersonal approach traditionally offered by mass media advertising. If we want to do this database of customers it is very important, to know as much as we can about each customer.

Direct marketing is one of the fastest-growing sectors of economy, in which organizations communicate directly with target customers to generate a response and/or a transaction. Direct marketing has not been considered an element of the promotional mix. However, because it has become such an integral part of the Integrated Marketing Communication program of many organizations and often involves separate objectives, budgets, and strategies, we can view direct marketing as a component of the promotional mix.

Direct marketing is much more than direct mail and mail-order catalogues. It involves a variety of activities, including database management, direct selling, telemarketing, and direct-response ads through direct mail, the Internet, and various broadcast and print media. Some companies do not use any other distribution channels, relying on independent contractors to sell their products directly to consumers and have been very successful in using direct marketing to sell their products.

In this promotional technique we can use different direct marketing tools:

- Mail orders
- Telemarketing
- Internet marketing
- Teleshopping

- Direct mail
- Direct response advertising

One of the major tools of direct marketing is direct-response advertising, whereby a product is promoted through an ad that encourages the consumer to purchase directly from the manufacturer. Traditionally, direct mail has been the primary medium for direct-response advertising, although television and magazines have become increasingly important media. Direct-response advertising and other forms of direct marketing have become very popular over the past two decades, owing primarily to changing lifestyles, particularly the increase in two-income households. This has meant more discretionary income but less time for in-store shopping. The availability of credit cards and toll-free phone numbers has also facilitated the purchase of products from direct-response ads. More recently, the rapid growth of the Internet is fuelling the growth of direct marketing. The convenience of shopping through catalogues or on a company's website and placing orders by mail, by phone, or online has led the tremendous growth of direct marketing.

Direct-marketing tools and techniques are also being used by companies that distribute their products through traditional distribution channels or have their own sales force. Direct marketing plays a big role in the integrated marketing communications programs of consumer-product companies and business-to-business marketers. These companies spend large amounts of money each year developing and maintaining databases containing addresses and /or phone numbers of present and prospective customers. They use telemarketing to call customers directly and attempt to sell them products and services or qualify them as sales leads. Marketers also send out direct-mail pieces ranging from simple letters and flyers to detailed brochures, catalogues, and videotapes to give potential customers information about their products or services. Direct-marketing techniques are also used to distribute product samples or target users of a competing brand.

2.5 Public relations

Organizations need to be concerned about much more than just their trading relationships with their target markets. Customers are important, but a business as a whole cannot function effectively without the support and co-operation of its financial backers, its employees and trade unions, its suppliers, the legal and regulatory bodies to which it is answerable,

interested pressure groups, the media, and many more groups or “publics” which have the ability to affect the way in which the organization does business. There is no direct trading relationship between the organization and many of the publics listed above, which means that the objectives of whatever communication takes place are centered more on explaining what the organization stands for, and creating a strong, positive corporate image than on a hard sell. Public relations are the area of marketing communications that specifically deals with the quality and nature of the relationship between an organization and its publics. Its prime concern is to generate a sound, effective and understandable flow of communication between the organization and these groups so that shared understanding is possible.

It is defined as a management function that determines the attitudes and opinions of the organization’s publics, identifies its policies with the interests of its publics, and formulates and executes a program of action to earn the understanding and goodwill of its publics. [4]

Or we can define it as the deliberate, planned and sustained effort to institute and maintain mutual understanding between an organization and its publics. [4]

The second definition is nevertheless, a more useful definition that gets close to the core concern of PR, which is *mutual understanding*. The implication is that the organization needs to understand how it is perceived in the wider world, and then work hard to make sure, through PR, that those perceptions match its desired image. Two-way communication is essential to this process. Another interesting element of this definition is the specific use of the word *publics*. Advertising, in its commonest usage, is usually about talking to customers or potential customers. Public relations defines a much broader range of target audiences, some of whom have no direct trading relationship with the organization, and thus PR encompasses a wide variety of communication needs and objectives no necessarily geared towards an eventual sale. Advertising can certainly be used as a tool of PR, but it is not the best communication method for many publics or objectives. Finally, the definition emphasizes that PR is *deliberate, planned and sustained*. This is important for two reasons. First, it implies that PR is just as much of a strategically thought out, long-term commitment as any other marketing activity, and second, it counters any preconceptions about PR simply being the *ad hoc* seizing of any free publicity opportunity that happens to come along.

The essence of PR, as stated in the introduction, is to look after the nature and quality of the relationships between the organization and its various publics. This means that PR covers the management of a range of activities that create and maintain the character and status of the organization in the eyes of those who matter.

It includes activities such as:

- the creation and maintenance of corporate identity and image
- the enhancement of the organization's standing as a corporate citizen, through activities such as arts and sports sponsorship, charitable involvement and community initiatives
- the communication of the organization's philosophy and purpose, through activities such as open days, visitor centres and corporate advertising
- media relations, both for dissemination of good news stories and for crisis management, including damage limitation
- attendance at trade exhibitions, which helps to forge stronger relationships with key suppliers and customers as well as enhancing the organization's presence and reputation within the market.

If we talk about public relations it is important to understand who the various **publics** are. Public is any group, with some common characteristics, with which an organization needs to communicate. Each public poses a different communication problem, as each has different information needs and a different kind of relationship with the organization. We know six basic types of publics:

1. General – general public, community, pressure groups
2. Financial – shareholders, investors, bankers
3. The media – television/radio, national/local press, trade press
4. Internal – employees, trade unions
5. Authority – central/local government, trade associations, regulatory bodies
6. Commercial – customers, suppliers, competitors

The PR manager has a **range of techniques** and activities to draw on, limited only by imagination. The main area to look at is publicity and press relations, a major concern within the PR remit. While considering techniques, it is important to relate them to the target publics and the PR objectives for which each is appropriate. The range of techniques is as follow:

- Advertising – corporate image
- Press relations – press releases, press conferences, press briefings, press receptions
- Internal – house journals, staff briefings
- Events – social events, factory tours, annual general meeting
- Publications – annual report, magazines, videos, brochures, books

3 SWOT ANALYSIS

Planners have evolved structured ways of looking at the current situation of an organization. One of the simplest and most effective ways is called SWOT analysis. It is a tool to find out the Strengths, Weaknesses, Opportunities, and Threats that are to be expected in a project or in a business venture or in something similar. It means that the marketing environment (internal and external to the organization or individual) is looked at. The technique was developed by Albert Humphrey.

SWOT-analysis		Internal analysis	
		Strengths	Weaknesses
E x t e r n a l	Opportunities	<i>S-O-Strategies:</i> Develop new methods which are suitable to the company's strength.	<i>W-O-Strategies:</i> Eliminate weaknesses to enable new opportunities.
	Threats	<i>S-T-Strategies:</i> Use strength to defend threats.	<i>W-T-Strategies:</i> Develop strategies, to avoid that weaknesses could be targeted by threats.
A n a l y s e			

Pic. 1. SWOT-Model as a Matrix. [11]

3.1 Internal and external analysis

Strengths and weaknesses tend to be internal, and to do with the past or the present. Opportunities and threats tend to be outside the organization, and to do with the future.

- **Internal factors** – strengths and weaknesses internal to the organization.
- **External factors** – the opportunities and the threats presented by the external environment.

The internal analysis is a comprehensive evaluation of the internal environment's potential strength and weaknesses. Factors should be evaluated across the organization in areas such as:

- Company culture
- Company image
- Organizational structure
- Key staff
- Access to natural resources
- Operational efficiency
- Operational capacity
- Brand awareness

The SWOT analysis summarizes the internal factors of the firm as a list of strengths and weaknesses.

The external analysis describes the external environment. An opportunity is the chance to introduce a new product or service that can generate superior returns. Opportunities can arise when changes occur in the external environment. Many of these changes can be perceived as threats to the market position of existing products and may necessitate a change in product specifications or the development of new products in order for the firm to remain competitive. Changes in the external environment may be related to:

- Customers
- Competitors
- Market trends
- Suppliers
- Partners
- Social changes
- New technology
- Political and regulatory environment

The SWOT analysis summarizes the external environmental factors as a list of opportunities and threats.

Often it may appear that the same aspect of an organization may be both the strength and the weakness depending on how you look at it. This is not very helpful finding in practical planning and signals the need for further analysis. Breaking down the aspect into its component parts will usually reveal a more useful pattern in this case. It helps to be as specific as possible. Another aspect of effective SWOT analysis is to prioritise. Ranking entries under each heading into an order of importance throws up the key issues facing an organization. This can then feed into the information of appropriate objectives.

4 MARKETING RESEARCH

Marketing research is the function which links the consumer, customer and the public to the marketer through the information. [7]

Market research involves collecting, recording and making sense of all the available information which will help a business unit to understand its market. Market research sets out to answer the following questions:

- Who makes up the target audience?
- What do they want?
- When do they need it?
- Where does it sell best?
- How can it be taken to them?
- Why do they want/need it?
- What are our competitors doing?
- How is our market changing?

In business, demand is always changing and therefore it is essential to know how things are changing. Market research requires a special form of skill and therefore market research companies are often employed because they have the necessary experience and also because market research takes up a lot of time. Small companies most often use marketing research companies, but bigger companies sometimes do marketing research on their own. Market research helps firms to plan ahead rather than to guess ahead.

4.1 Different methods of marketing research

4.1.1 Quantitative marketing research

Relates to methods such as questionnaires, which can be used to gather a lot of information, but which often use fairly closed responses. Is based on numbers, does not tell you why, when and how.

4.1.2 Qualitative marketing research

Relates to more intensive methods involving small samples such as a focus group who come together to discuss their feelings about a particular product. Has got more details, tell you why, when and how.

4.2 Data gathering

Data gathering involves collecting as much information as possible about the market, usually before any further steps are taken. It relies on desk research and field research. Data is divided into primary and secondary categories. Primary data are collected in the field. Secondary data are gathered from all the material that is at present time available on the subject, and is always studied first when doing desk research.

4.2.1 Desk research

This method involves the search for secondary data, whether published or unpublished. A good place to begin is with a company's records of items such as production, sales, marketing, finance and other data. Other sources of secondary data are for example government publications on the internet. Commercial research organisations also provide market research reports, many of, which are accessible on the internet.

4.2.2 Field research

Field research involves the search for primary information. Before an organisation conducts primary data collection it has to be clear which respondents it wishes to interview. A company cannot possibly interview the whole population to get their opinions and views. This simply would be too costly and unfeasible. A sample of the population is taken to help them conduct this research. To select this sample there are again different methods of choosing your respondents, a mathematical approach called "probability sampling" and a non-mathematical approach, simply called "non-probability sampling".

Probability Sampling Methods

Probability sampling methods are a mathematical chance of selecting the respondent and they are as follow:

- Simple random samples - With this method of sampling the potential people you want to interview are listed e.g. a group of 100 are listed and a group of 20 may be selected from this list at random. The selection may be done by computer
- Systematic samples - out of the 100 people we talked about above, systematic sampling suggests that if we select the 5th person from the above list, then we would select every 5th, 10th, 15th, 20th etc. The pattern is the every consecutive 5th. If the 6th person was selected then it would be every consecutive 6th.
- Multi-stage samples - With this sampling process the respondents are chosen through a process of defined stages. For example residents within Islington (London) may have been chosen for a survey through the following process: Throughout the UK the south east may have been selected at random, (stage 1), within the UK London is selected again at random (stage 2), Islington is selected as the borough (stage 3), then polling districts from Islington (stage 4) and then individuals from the electoral register (stage 5). As demonstrated five stages were gone through before the final selection of respondents were selected from the electoral register.

Non Probability Sampling

- Convenience sampling - Where the researcher questions anyone who is available. This method is quick and cheap. However we do not know how representative the sample is and how reliable the result.
- Quota sampling using - This method the sample audience is made up of potential purchasers of your product. For example if you feel that your typical customers will be male between 18-23, female between 26-30, then some of the respondents you interview should be made up of this group, i.e. a quota is given.
- Dimensional sampling - An extension to quota sampling. The researcher takes into account several characteristics e.g. gender, age income, residence education and ensures there is at least one person in the study that represents that population. E.g. out of 10 people you may want to make sure that 2 people are within a certain gender, two a certain age group who have an income rate between £25000 and £30000, this will again ensure the accuracy of the sample frame again.

As we can see from this chapter we can use two types of sampling frames (probability and non-probability) within six types of sampling methods (simple random samples, systematic samples, multi-stage samples, convenience sampling, quota sampling using, dimensional sampling).

For searching of **primary data collection** we can use two different methods:

- Observation – includes the observation of respondent by a trained observer or by electronic equipment (camera). The aim is to observe consumer responses and behaviour to a product or customer service.
- Interviews – face to face interview between an interviewer and the respondent (personal interviews, postal surveys, telephone surveys, focus groups). In this method of primary data collection we could use questionnaire.

4.3 Questionnaire

People often ask themselves what is so difficult about designing a questionnaire. Asking questions and getting the right answers is not always as straight-forward as it may seem. Someone beginning their market research career may presume that questionnaire design is clear-cut-process – ask the question to the right respondent and you will get the answer. How hard can it really be? It is true that anyone can string some questions together, and normally you will get an answer in some shape or form, but the problem is, it may not be the answer you were looking for.

Questionnaire design is one of the hardest and most important parts of market research. Given the same objectives, two researchers would probably never design the same questionnaire, as questionnaire design is an art form that allows individual license to the creator.

The questionnaire plays a number of important roles. Its primary purpose is to facilitate the extraction of data from a respondent. It serves an “aide memoire” to the interviewer so that there is no necessity to learn the questions off by heart. It provides consistency in the way the interview is conducted, especially as frequently a number of interviewers are working on a project at the same time. Without a questionnaire, questions would be asked in a haphazard way at the discretion of the individual. Questionnaires are also an important

part in the data collection methodology. They allow responses to be recorded in a consistent way to facilitate data analysis.

The questionnaire can be administrated in three different ways: by phone, face-to-face and self completion (through mail/Internet). These three incongruent methods require different forms of questionnaire.

Questionnaire type	Area of use	Method of administration
Structured	Large, quantitative studies	Telephone, face-to-face, self completion
Semi-structured	Qualitative consumer studies, business to business studies	Telephone, face-to-face
Unstructured	Qualitative studies	Telephone, face-to-face, group discussions

Tab. 1. Types of questionnaire [6]

Question type	Information sought	Types of surveys
Behavioural	Factual information of what the respondent is, does or owns. Also the frequency with which certain actions are carried out, where people live etc.	Surveys to find out market size, market shares, awareness and usage
Attitudinal	What people think of something. Their image and ratings of things. Why they do things.	Image and attitude surveys. Brand mapping studies. Customer satisfaction surveys.
Classification	Information that can be used to group respondents to see how they differ one from the other, such as their age, gender, social class, location of household, type of house, family composition	All surveys

Tab. 2. Types of questions in the questionnaire [6]

II. ANALYTICAL PART

5 INTRODUCTION

Teilo Engineering Ltd. has got more than 30 years long history. It was set up 3rd February 1962 by Michael John Emmanuel, who is the owner and the secretary of a business. The firm was established in a small town Pontarddulais, which is part of the West Glamorgan district, in Wales. Company is defined as a manufacturing-trade company. At the present time, company employs 50 people, from workers to high professional experts. In sales, telemarketing and account department is employed 20 employees and in manufacturing process work 30 members of a staff.

The main subject of the business is everything around wave soldering machines. Company provides all the services, which are connected with the wave solder machines. Teilo Engineering manufactures and sells the titanium components for these machines, repairs and sells used wave solder machines and also provides a technical consultancy. Firm also manufactures and sells press tools, injection moulds, blow moulds, special purpose machinery and do all kinds of welding, manufactures titanium components according to customer's individual needs and does some other things, which are not part of the main subject of the business. Before 5 years, company has started to manufacture and sell seating components and is quite successful in this part of business.

Teilo Engineering is one of the front suppliers of titanium components and wave soldering applications in UK and in the next few years they are going to try to get their products on the markets in Western and Central Europe, where is a lot of wave solder machines situated and not so strong competition in this part of business as in UK.

The main motto of the company is:

“We are here, to make all our customers happy.”

Motto expresses customer's politics of the company, its attitude onto customers. It is mean that each customer is for company very important and people in Teilo Engineering will do everything to satisfy his or her wants and needs.

6 COMMUNICATION MIX OF TEILO ENGINEERING LTD

Promotion is for Teilo Engineering the most important part of marketing mix. Company considers professional and friendly communication mix for the key of success on the market. Teilo Engineering tries to set up all the communication tools properly and integrated, because only integrated marketing mix and communication mix can get the desired synergic effect.

6.1 Advertising

Teilo Engineering is not one of these companies, which can afford advertising in national television channels or in radio broadcast. Advertising in some mass media such as mentioned television or radio would be absolutely unfit when using the rest of promotional tools, expensive and uneconomical. For company of this type is not a lot of ways how to advertise its products and services. The ideal way for Teilo Engineering is to advertise their products and services through Internet and Scholarly publication, which company does.

6.1.1 Internet advertising

This new multimedia medium becomes more and more popular. More and more companies use this media for propagate their businesses. We can say that if at present time company wants to be successful, get new customers and keep good relationship with all the existing customers it has to use internet to promote itself. Most often they use combination of websites and internet advertising. Internet is very important medium for brand support. Using Internet advertising has got many advantages:

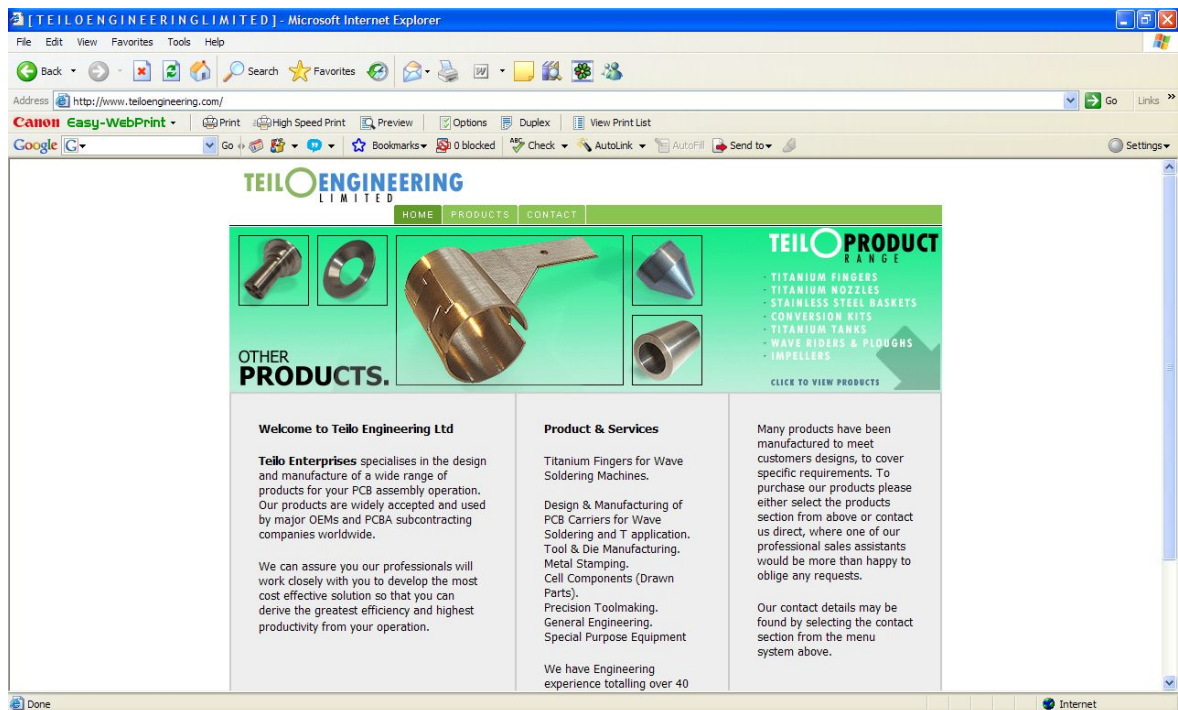
- It is the most dynamic segment of advertisement world.
- It is interactive.
- Immediately effect.
- Very good aim.

One of the main activities which Teilo Engineering uses to highlight itself on the internet is naturally presentation of company and its products on **the websites** (www.teiloengineering.com). On these websites can potential customers find description of

most of the products, which company manufactures, services which company provides and short introduction of the firm. In my opinion, website is very good designed. It is designed professionally from a firm, which provides web design and services. It consists of three main sections:

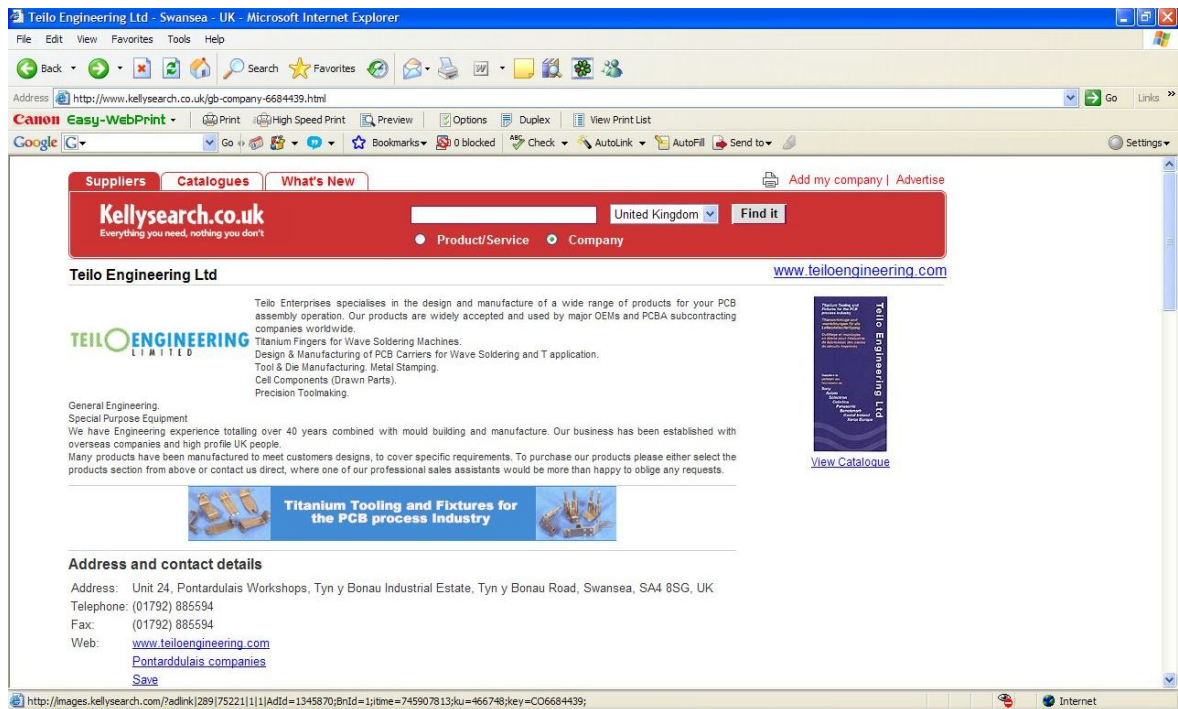
- Home – this section includes short introduction of the company, says briefly what company does and inform visitors about manufacturing processes.
- Products – this section gives to potential customer full description of most of the products which Teilo Engineering manufactures, they can see them in 2D or 3D view, find their specification and used material.
- Contact – in this section can visitors find all the contact details including telephone numbers, email addresses and postal addresses. They can view external map and location of a company. Contact form is part of this section as well.

The most important part of company's website is a product range. In this section can potential customer see most of the products, compare it with the products which he uses and gets acquainted with them in detail, which is for company very important.



Pic. 2. Company's web page. [8]

Other type of advertising on the internet, which company uses, is advertising with Kellysearch (www.kellysearch.com). Kellysearch is well known search engine for business. Companies, which want to have got their data in this search engine, have to pay at least one year membership. If you are an advertiser, kellysearch allows you to check, how many people have seen your company and than compare it with responses from them, which is very helpful for advertisers. Companies can see how many people were reached.



Pic. 3. Kellysearch webpage. [9]

This kind of advertising has got many of other advantages. Customers like to look for potential suppliers in this way, because it is very easy to find the right company or the product. Potential customers can type in the name of the product or the name of the company and search engine will show them possible results.

6.1.2 Advertising in scholarly publication

It make possible to target the right segment of customers. For company Teilo Engineering we are talking about electronic manufacturers. It is appropriate to advertise in magazines and newspapers which have got a lot of customers and most of them are companies not individuals. Teilo Engineering advertises in Electronics Weekly magazine, which is national publication about electronic companies and its suppliers. If we want to measure number of reached customers, we can do that with number of sent and bought copies.

6.2 Sales promotion

Is one of the promotional tools, which effectively support advertising and in some advanced countries predominates. Its sense increases every day. A lot of companies have started to invest more money into sales promotion and less money into advertising. Sales promotion includes all the materials and activities, which act as a direct incentive. All these incentives act shortly and have to be very intensive, if they want to influence consumer's behaviour and decision making. Consumers or other target groups must get something valuable, what they do not have to pay. It can be something free, better price or possible attractive prize in competition. The most important thing is, that the target groups must know, that they will get the desired benefit, if they will act in the desired way, at the desired time (for example, if they will buy some kind of good for particular price they will get discount).

Companies must use sales promotion very choicely. It can not only help to company's sales, but it can also damage the company. Temporary discounts can not be used very often. It can invoke impression of low quality of our products or problems with its sales and could damage company's image. It can also discourage the consumer. The consumer will buy the product because the bargain offers not because he will see its quality and benefit. The sales would be shortly high, but after the end of sales promotion consumer could go to the competition. Company Teilo Engineering uses three types of sales promotion activities.

6.2.1 Employees sales promotion

Motivation of employees in a company is very important as well. Teilo Engineering motivates its employees in these ways:

- Trainings – company regularly organises trainings, courses and meetings for its employees. In fact, salespeople spend 20% of their time at work in this way. It is very important for them to get acquainted with all the goals, new sales strategies and results of the company. Most of them are organised regularly, but some of them are emergency. Most often, when is by management some problem discovered.
- Money bonus – every month one of the salespeople in a company gets extra money bonus to the wages. This bonus reflects extra effort, which he exercised. It can be attainment of the biggest sales turnover or some other extra effort such as the big-

gest number of meetings or something else. Most often sales person with the biggest turnover gets this premium money.

- Sales competitions – telemarketing people compete for the biggest number of found potential customers. They can win different presents or financial prizes. Prize is every month different.

6.2.2 Consumer oriented sales promotion

In this category we can talk about:

- Free samples – are mostly used with the new products. The goal is to stimulate consumers for checkout of the new product. It is used in the early stages of product life cycle. Teilo Engineering sends around 30 samples every week, most of them are titanium fingers.
- Discounts – are most often used to stimulate existing customer to bigger purchase or to stimulate potential customer to purchase. It can also be used as a tool against competition actions. Teilo Engineer offers discounts, when customer buys the whole conversion kit or set of products. Customer can also get a discount if he orders goods for extremely high price. Quality of Teilo Engineering's products is very high and prices are very competitive so Teilo Engineering does not give discounts very often.
- Premium product – is a product offered free or for minimum price as a gratuity for shopping of specific product. This kind of sales promotion is good to use in cases, where both products are related. Teilo Engineering for example gives free shaft or shaft for minimum price when customer orders impeller (parts of wave solder machines, which are connected).

6.2.3 Trade oriented sales promotion

If we talk about middleman's sales promotion in Teilo Engineering. We mostly talk about sales promotion for its distributors. Distributors are independent people or companies, who buy Teilo Engineering's products in a bulk and sell it to final consumers. This people or companies have got off course different prices than final customers. They want to make a profit as everyone in a distribution channel, so they buy products from Teilo Engineering

put their commission to the price and sell it to final customer. The reason, why the company can give them lower price is, that they buy everything in a bulk, which means that they buy all the products in bigger quantity than usual customers, so the price can be lower. Teilo Engineering uses for these people following types of sales promotion activities:

- Business exhibitions and meetings – company meet all the middlemen to regular exhibitions, where all the new products are showed, properties of each product are described and the way of use is demonstrated.
- Free goods – includes free goods for sale of certain quantity of products. Teilo most often gives free titanium fingers for sale of 1000 fingers or more.
- Special offers – distributors get reduction in price if they will pay before or in cash

6.3 Public relations

Public relations have come to mean a great deal more than informing others about someone or some group. It also tells the group what others think of it, helps the group determine what it must do to gain the goodwill of others, plans the ways and means by which to do it, and then implements the activities to achieve goodwill. This entire process known as public relations encompasses a great many functions, concepts and techniques - including the range of activities in “public affairs” that help an organization come into confluence with the social forces affecting it. All are coordinated into a gestalt of coordinated ideas and functions. [10].

In Teilo Engineering, public relation experts use different types of instruments for work with public. Messages are one of them. The target of PR staff is to create and find interested messages about company, its products and employees, which are most often published by press or on the internet. Most of the messages are concerned with titanium, which Teilo Engineering uses for its products, and its manufacturing processes. Other tools of public relations, which are commonly use are seminars, exhibitions and meetings. Every event is an opportunity to write specific article, oriented to specific groups. Company edit its own brochures and magazines as well.

6.3.1 Relation between advertising and public relations

If we talk about public relation and advertising, we talk about two different types of personal communication, which have got some similar traits. They most often use similar media to communicate. They work with similar target groups. Both of them needs creative access and both of them contribute to generate good image of a company. But they are not similar in all aspects. We can find some areas, where they are absolutely different. Advertising is a part of marketing, but public relations are function of management. Advertising focuses its attention for individual products or services and concentrates itself on exactly defined target groups, but public relations concentrate on the whole company and its incorporation into society with objective information. Advertising acts in a short term period but public relations act in a long term period. Advertising tries to promote products or services but public relations aim to mental sphere.

6.3.2 Publicity

In this occasion it is necessary to mention term publicity. Publicity supports with positive information in press, TV or other mass media image of a company or other subject. It is an autonomic reaction of consumers for good services, products and so on. Organization can not influence it directly, only with good services, products and employees, who are in contact with clients, customers. Opposite of these requirements provoke negative publicity, which can strongly damage good name of a company. For company Teilo Engineering is good publicity very important, because target customers most often know each other. We should say, that in this kind of business is good publicity necessary. Letters of recommendation or references are in the company used daily.

6.3.3 Sponsorship

Today is sponsorship one of the most extended and developing parts of communication. If we talk about sponsorship we mean planning, organizing, implementation and control of all the activities, which are connected with money grants or goods grants to the individuals or to the organizations in cultural, sport or social area.

Sponsorship is double-sided deal with two partners. Sponsor gives money, goods or services to the receiver with the aim of get specific satisfaction. The satisfaction is most often services for the sponsor, which are beforehand defined.

Company Teilo Engineering has become the sponsor of a row of sport, social and cultural occasions.

- Rugby –Teilo Engineering is one of the sponsors of Pontardullais rugby team. In Wales is rugby very popular sport. This sponsorship makes it possible to put name of the company on dresses of the players and have got other propagation materials such as the posters on the walls in the local rugby club.
- Blind children donation – company supports this donation, which helps blind children in their lifeu.
- Cancer Research UK – Teilo Engineering donates cancer research in UK.

Sponsorship can follow two types of goals. Economical goals are the first type. This area includes goals such as profit, sales, turn over and others. Psychological market goals are the second type. This area includes goals such as remind of a brand, prosecution of contacts, higher motivation of employees and others. All this sponsorship projects are at first realized to improve good name and image of the company in public eyes. All the sponsoring actions must be carefully well-considered to get the right effect for the company. The goals of sponsorship must be defined before, and company must be shore that, the money, expended on sponsorship, will have positive fallout on consciousness, image, loyalty of customers or some other goal, which will rebound in improve of sales.

6.4 Personal selling

Personal selling is one of the oldest forms of promotion. It involves the use of a sales force to support a push strategy (encouraging intermediaries to buy the product) or a pull strategy (where the role of sales force may be limited to supporting retailers and providing after-sales service). We can say, that personal selling is the process of communicating with a potential buyer (or buyers) face-to-face with the purpose of selling a product or a service. The main thing that sets personal selling apart from other methods of selling is that the salesperson conducts business with the customer in person. Personal selling comprises five stages:

1. Prospecting – this stage is about finding the prospects, or new potential customers. Prospects should be “qualified” which means that they need to be assessed to see if there is potential business, otherwise the salesperson could be wasting his time.

2. Making first contact – this stage is about preparation that the salesperson goes through before they meet with the client (telephone, email, letter).
3. The sales call or sales presentation – during the presentation of a product it is best to be enthusiastic. If the salesperson is not excited about it, he can not expect the prospect to be excited. Very important is to focus on the real benefits of a product or a service, rather than listing endless lists of features.
4. Objection handling – it is the way in which salespeople tackle obstacles put in their way by clients.
5. Closing the sale – this is a very important stage. Often salespeople will leave without ever successfully closing a deal.

In the first stage salesperson has to plan a sales approach focused upon the needs of the customer. He determines which products and services best meet customer's needs and in order to save time, ranks the prospects and leaves out those that are least likely to buy. In the second stage salesperson must make sure that he is on time. Before meeting with the client he sets some objectives for the sales call. He must know what the purpose of the call is and what outcome is desirable before he leaves. In this stage it is good to show that you are committed in the eyes of customer, for example do some homework. To save time, sales people can send some information before they visit, it will wet the prospect's appetite. And the last think, which can be good in this stage is to keep a set of samples at hand, and make sure that they are in a very good condition. Third stage involves sales call or presentation. Experts recommend let the client do at least 80 percent of the talking. This will give you invaluable information on client's needs. Very good is to ask plenty of questions. Questions of all different types can be used (open questions, closed questions, yes or no questions). Never be too afraid to ask for the business straight off. Fourth stage is about objection handling. Try to anticipate the clients before they will try. Ask the clients, why they feel the way that they do. The salesperson could also tactfully and respectfully contradict the client. The last fifth stage is about closing the sale. Do not be afraid to ask for the business in this stage or look for buying signals (body language or comments). Do not forget to stop talking and let the client say "yes" at the end of conversation. This really works.

Through personal selling is more likely to be effective with products and services which Teilo Engineering sells. Company sells most of its products through its salespeople (pull strategy). These salespeople must be well educated engineers, because most often some scholarly advices and recommendations are connected with selling of company's products. We can say that the sales people are the most important employees in a company, they make the turnover. This is the reason, why they spend on trainings, special courses and other educational programmes more time than other employees. Not everyone could be good salesperson. It is well known, that for this kind of selling must be chosen people with specific qualities. The whole process of selling depends on personality of the salesperson, who must be able to communicate with the customers, which means that he or she must be sensitive, friendly, expressive and representative looking. Company considers well educated and professional salespeople for the key of success in the market.

6.5 Direct marketing

Direct marketing is a promotion mechanism that allows focused messages to be received by a targeted audience. The main difference between direct marketing and other promotion is that you can closely qualify your audience to deliver a message that appeals to their specific needs. [11]

Originally was set up as the direct marketing sending products from a manufacturer to a consumer without any distribution channel. Later this term mean marketing run by post, which was sending catalogues or direct products sending. At present direct marketing basically covers:

- Catalogues
- Mail-order sale
- Direct mail
- Telemarketing
- Direct-response advertising

Company Teilo Engineering uses only some of the direct marketing tools, which are:

- Telemarketing

- Direct mail

6.5.1 Telemarketing

Telemarketing is for the company the most important direct marketing tool. It is an ideal tool, which enables two ways communication, which means that salespeople can react immediately on customer's reactions, questions, and desires. Telemarketing has got many advantages against other forms of direct communication. One of the most important is that it enables fast contact with customers and immediate reaction. Others are for example in faster building of databases or supervision of satisfaction of customers. As a disadvantage we can mention for example possibility of interruption from called person or need of educated personnel . Conversation on the phone is used as a main communication instrument in Teilo Engineering. Company uses active telemarketing. Active telemarketing means that company searches and reaches out customers on itself. The main objective of active telemarketing is to sale specific product.

Company has got its own telemarketing department with 6 employees. These people have got two main definitive tasks, which is organising of business meetings for salespeople and offering of the new products to existing customers. All the employees from this department spent the first week of their job on special training, where they are educated about products and services which company does and about system of the phone calls. Contact with each target customer has got similar structure. At first phone call employee introduces himself and a company and asks if he or she can send product catalogues or other promotion materials to study to the potential customer. After 10 or 12 working days he or she calls the same customer again, asks him what he thinks about products, answers possible questions and asks the customer if he is interested in products. At the end of the phone call telephonist most often arranges meeting for sales representatives.

Each of telephonists has got its own phone call book, where the phone calls are noticed. This evidence is quite important. Anybody with access to this evidence can find here how many phone calls each person did, the times of the phone calls and how many customers were find out.

6.5.2 Direct mail

Direct mail is in principle sending direct offers to concrete receivers. It can be send by post or electronically. This kind of direct communication has got many advantages. We can mention for example possibility of exactly targeting the customer or particular exclusiveness, because offers send by post most often do not compete. Disadvantages are for example higher costs connected with manufacturing or high cost on database creation.

In Teilo Engineering direct marketing plays important role. After telephone calls company directly sends product ranges, catalogues or other promotional materials sometimes electronically, sometimes by post. All these materials have got similar design with the same colours and the same heading.

6.6 SWOT Analysis for company Teilo Engineering Ltd.

This analysis is one of the simplest, but also one of the most effective ways, how to find what companies should hold, what they need to improve or what they should omit. Companies need to know its strength and weaknesses, should be able to discover its opportunities and avoid its threats.

6.6.1 Analysis of strength and weaknesses

Strength

- High-quality of offered products (titanium)
- Good reputation among customers
- Qualified labour
- Cooperation with distributors (big orders-lower prices)
- Qualified consultancy
- Short delivery dates
- Modern facilities (information technology and manufacturing machines)

Weaknesses

- Not very good and not very effective propagation

- Small workshop (not enough place for stock)
- Bad internal communication and organisation
- Not enough of vehicles

6.6.2 Analysis of opportunities and threats

Opportunities

- Weak competition
- Support from a local government
- A developing market (Internet – possibility to attack international companies)
- Building of a good name of a company

Threats

- Growing competition
- Growing costs (material, transport)
- Loss of customers (they will start to prefer cheaper but lower quality products)
- Emergence of substitute products

7 ANALYSIS OF QUESTIONNAIRE

In this part of my bachelor's project I will evaluate outcomes of questionnaire, which was focused on customer's satisfaction with products and services of the company Teilo Engineering Ltd. Questionnaire shows us specific conclusions, which will be the most important factor for improvement suggestions for Teilo Engineering Ltd.

7.1 Preparation for questionnaire investigation

In preparation of questionnaire investigation I mostly occupied by compilation of questionnaire for customers. I had started to create this questionnaire at the beginning of January and at the beginning of February I started the investigation between **customers**. Investigation took me about one month time. I collected the information by email and on the telephone.

Customers	Replied	Has not replied	Total
Email	59	6	65
Post	17	10	27
Total	76	16	92

Tab. 3. Structure of respondents [own]

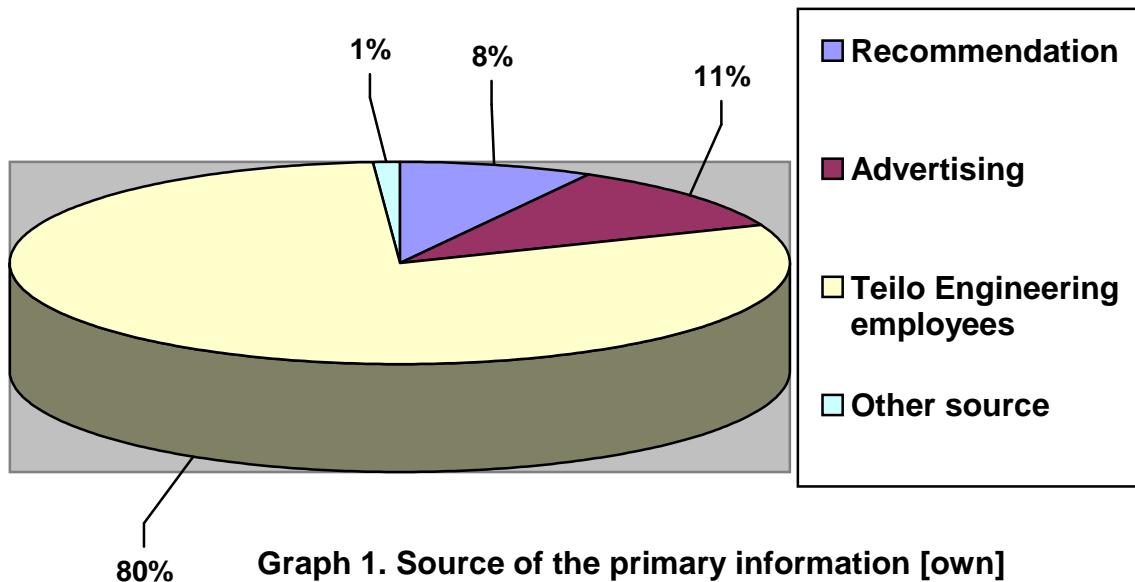
As you can see from table I sent this questionnaire to 92 companies in total. I asked 65 of them through email and 27 by post. 76 of them filled in and replied, which is not too bad and 16 did not. Fruitfulness of this questionnaire was approximately 83%.

7.2 Evaluation of questionnaire investigation

At the beginning of **the** questionnaire you can find a name of the company (Teilo Engineering), which sends questionnaire to its customers followed by couple of sentences about the reasons why we do that. In my opinion if potential respondent will see these couple of sentences why we do and send this questionnaire, he might be more open to fill it in and send it back.

The first investigated question is asking customers how they found Teilo Engineering Ltd.

Question: How did you know about us?



From this chart we can see that most of the customers 80% were reached by company's employees (sales representatives and telemarketing personnel). 11% of customers were reached by advertising, 8% was reached by recommendations and only 1% was reached from the other sources.

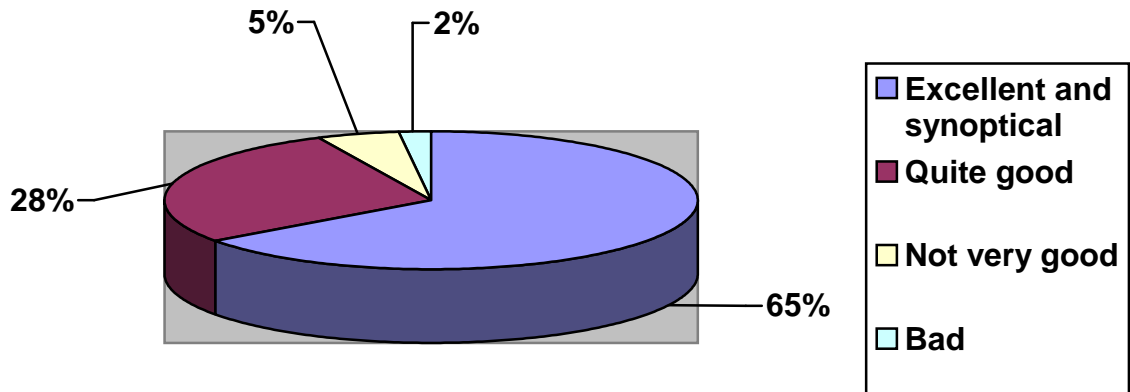
Second question from questionnaire is focused on reasons why has companies decided to cooperate with our company.

Question: Why did you choose our company for engineering services?

This question is open so we can not evaluate it in the chart. Most of the customers decided to choose our products and services after demonstration of the products with one of our sales representatives, the rest was impressed by websites or they did not find any other supplier, who would meet their needs.

Question number three concentrates itself on customer's opinion about company's promotional materials.

Question: What do you think about our promotional materials?

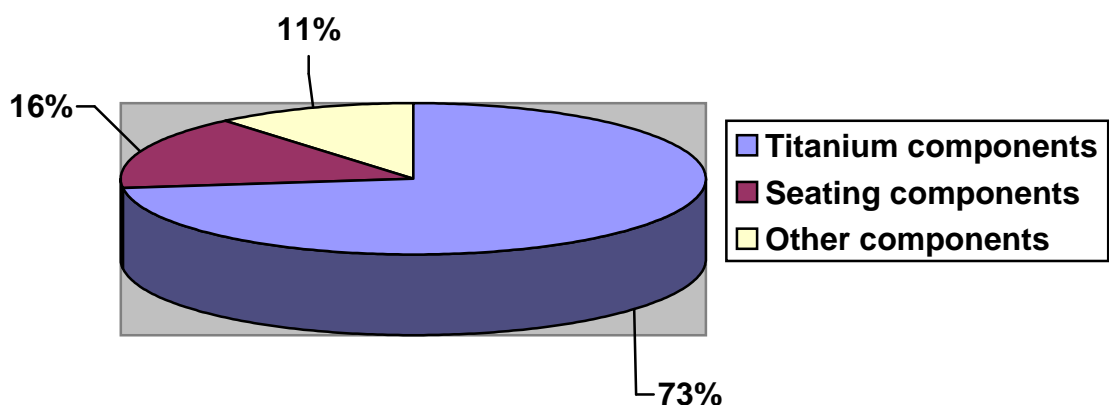


Graph 2. Quality of promotional materials [own]

From this chart we can see that most of the companies 65% of customers think that company's promotional materials are excellent and synoptical, 28% think that they are quite good, 5% think that they are not very good and 2% consider promotional materials for bad.

Fourth question relates to a kind of products which companies pick from Teilo Engineering. And results of the question we can see in chart below.

Question: What kinds of our products do you utilise?

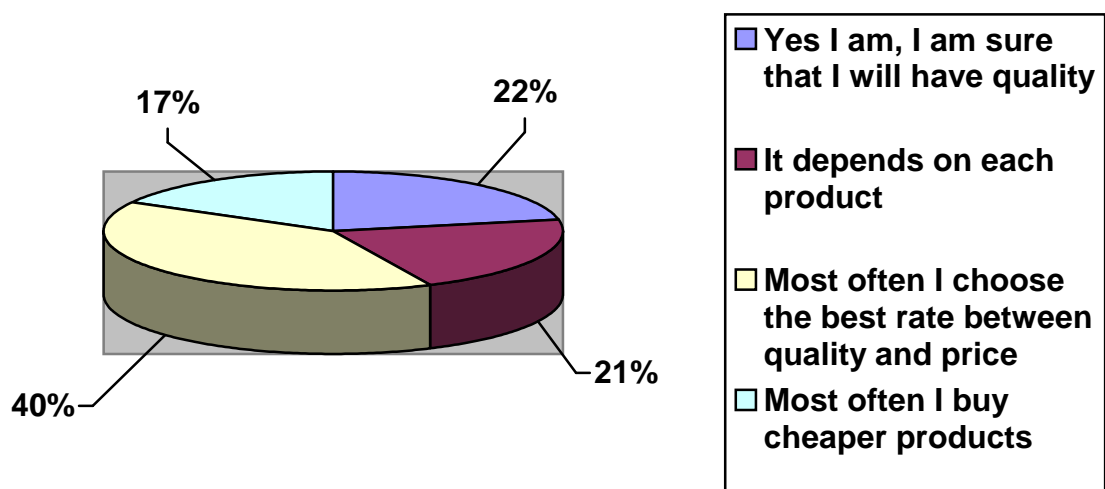


Graph 3. Types of used products [own]

From this chart we can see that 73% of all the marketed products are titanium components, 16% are seating components and 11% are other components, which are mostly PCB Carriers from Durastone, Stainless Steel Wash baskets and others.

Question number five searches if customers are willing to pay more money for good quality products or if they are not.

Question: Are you willing to pay more for good quality products?

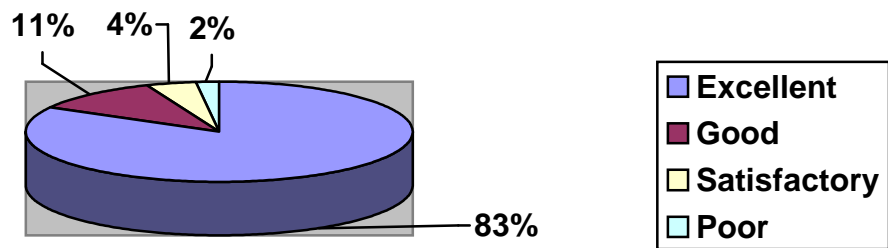


Graph 4. Willingness of paying for quality [own]

As you can see from the chart most of the companies 40% choose the best rate between quality and price, 22% are willing to pay more because **they will be sure that they have good quality product**, 21% decide in accordance with product and 17% choose most often one of the cheapest product.

Question number six tries to find how the customers are satisfied with Teilo Engineering's products.

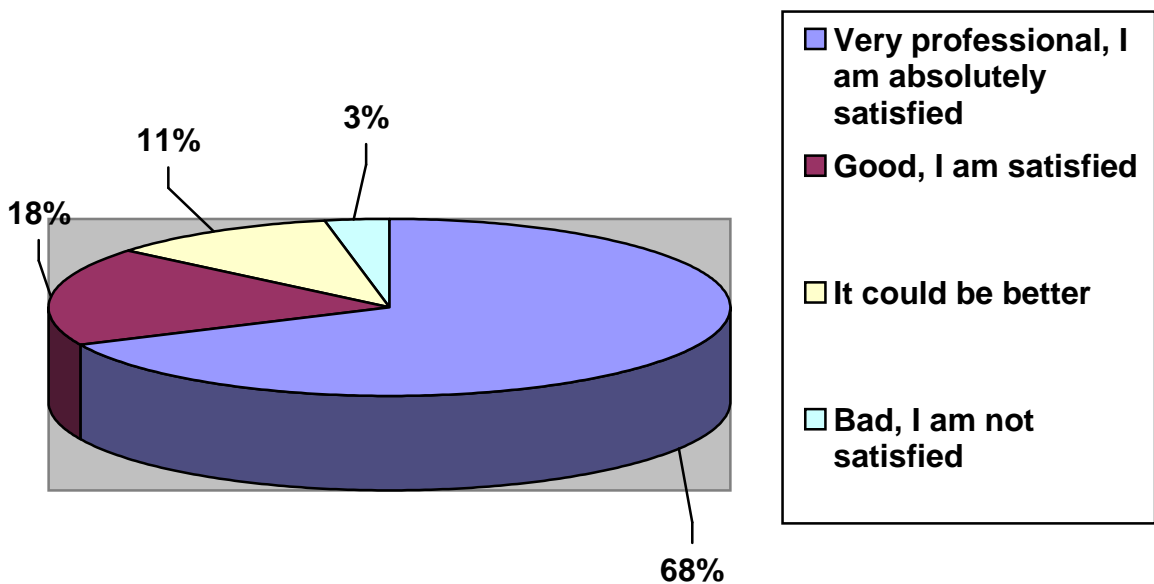
Question: How were you satisfied with the quality of our products?



Graph 5. Satisfaction with products [own]

We can view that most of the customers 83% think that quality of company’s products is excellent. 11% consider company’s products for good quality components, 4% think that quality is satisfactory and 2% are not satisfied with the quality, they think that the quality is poor.

Question number seven looks if customers are satisfied with willingness and friendly access of our employees.

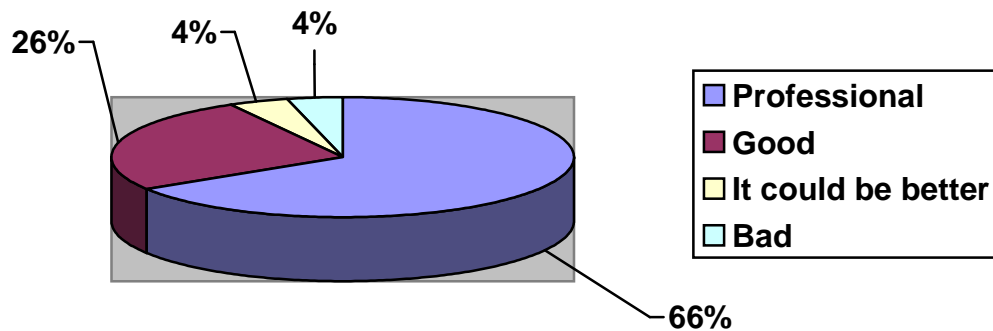


Graph 6. Willingness and friendly access of the employees [own]

Question: How would you classify willingness and friendly access of our employees?

In question number eight customers classify company’s communication with them.

Question: What do you think about our communication with you?

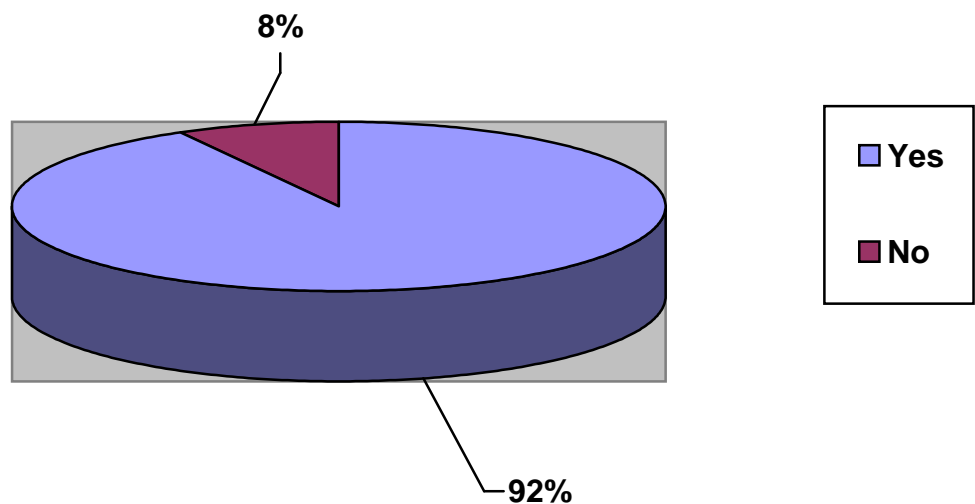


Graph 7. Quality of the communication [own]

From the chart we can see that most of the customers 66% think that communication is professional, 26% think that company's communication is good 4% think that it could be better and 4% think that communication is bad.

Question number nine wants to find how customers are satisfied with company in total. In total means products, services, communication and all the other business aspects together.

Question: Were you satisfied with our company in total?

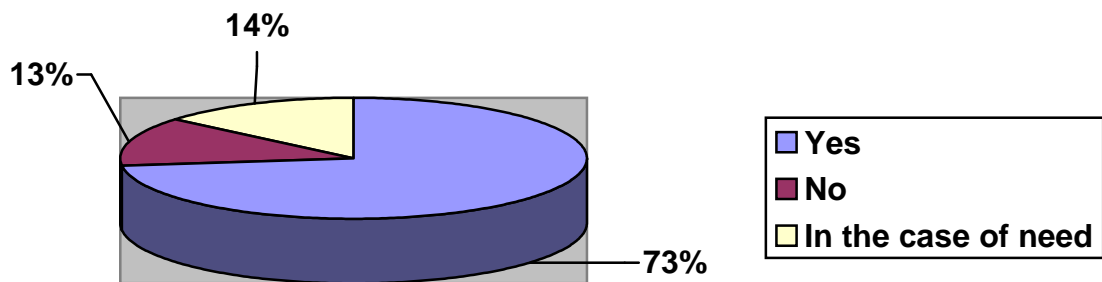


Graph 8. Satisfaction with the company [own]

Most of the customers 92% were satisfied with Teilo Engineering, which is very encouraging, only 8% of all customers were not satisfied, which had different reasons for example long delivery dates or low quality of products (in their eyes).

Question number ten is focused on repeated using of products.

Question: Would you use our products again?

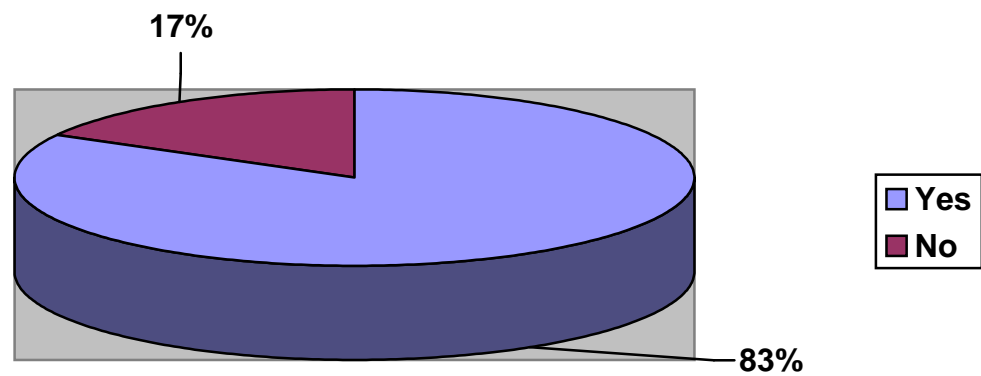


Graph 9. Possibility of repeated use [own]

In this chart we can see that most of the customers 73% was satisfied with Teilo Engineering's products and will use them again only 13% said, that they are not going to use products again and 14% will use them in the case of need. This number of answers (in the case of need) had most often one simple reason. Titanium products will hold for a long time so companies do not need to change them very often.

Question number eleventh asks customers if they would recommend our company to anyone else.

Question: Would you recommend our products to anyone else?



Graph 10. Possibility of recommendation [own]

We can view that 83% of customers would recommend company to anyone else, which is great. Only 17% replied that they do not want to recommend company to anyone else.

8 SUGGESTIONS FOR IMPROVEMENT

Company Teilo Engineering Ltd. is on the market more than 30 years, which means that company's marketing is quite good set, but in spite of that, we can still find some areas such as the internet or promotional materials, which are not without some small inadequacies. The whole communication process with the customers in the company is mostly based on the direct marketing and on the personnel selling. This strategy is good and effective. We can find only couple of things which we can reprehend. Company's marketing communication is set very properly but if we look on it in detail we can find some small areas which need to improve.

From questionnaire investigation we can deduce that customers are satisfied with the company. Most of them think that Teilo Engineering's products are of excellent quality, they are going to use them again and they would recommend them to someone else. Two thirds of existing customers utilize titanium products which is also good, because titanium components are the main part of the business. Nearly a half of the customers choose the best rate between quality and price when they are purchasing some components. This decision is also good for Teilo Engineering Ltd., because titanium products are not the cheapest, but their quality is the best.

The questionnaire also showed us some absences. Only half of the customers think that company's promotional materials are excellent. This should be a big problem. Promotional materials such as flyers, brochures, catalogues and others are the first thing, which customers see. They must be perfect, because they represent the image of a company and give the first judgement about the company. The mistake which company does is that the promotional materials are not innovated regularly and some of them are not designed professionally. If company will improve their design and will start to innovate them on regular basis, it can help a lot to the image of the company in customer's eyes and customers could be more satisfied with the services.

Another area for improvement which questionnaire showed us is in communication of employees with the customers. Only a little bit more than half of customers think that employees of the company are willing, friendly and professional. I found this as the biggest problem, because company's main effort is to have especial, friendly relationship with each customer and the response in the questionnaire is not the best. In my opinion is an inade-

quacy in motivation and skilled education of employees. Sales representatives and engineers are well motivated and educated, they spend on trainings and educational courses a lot of time, but company does not develop the same effort for the telephonists who are also in touch with the customers a lot. If company will improve motivation and education of employees in telemarketing department this area could be without any problems.

And the last area to improve is internet advertising. As I mentioned in analysis of communication mix before, company focuses its advertising effort mostly on the internet and in the scholarly publications. This type of advertising is probably the best to the size of the company and its financial possibilities. I found only some small inadequacies here. Very important is easy access to company's webpage from different search engines, which company does not always have. If customers will not find the company's webpage on the first page or in the first positions of the search engine, they will probably choose the competition. Improvement of SEO (search engine optimization) and of SEM (search engine marketing) with different packages on the internet should help. I found some small problems on the company's website as well. Product range is not complete. Not all the products which company manufactures and sells are on the website. This should be a problem again, because customers can not see everything, and employees must exercise extra effort to get it to the customer, which costs money and time. Replenishment of product range on the web page should solve this problem.

If company will try to improve these suggested areas it can get a lot of benefits back. Improving of company's search engine marketing (SEM) and search engine optimization (SEO) can get a lot of new potential customer's, because all the people who will be searching titanium components or other products which company sells and manufactures will see the company's website in the first positions. This could at the end improve company's turnover a lot.

Improving of organisation of company's webpage will be another good step to biggest turnover and lower costs. Completion of company's product range on the web can attract new customers, who will see the product which they are searching on the first sight and will be impressed. Another thing which can be added to the webpage is all the names of employees in a company and its positions. This can very help potential customers with the first contact.

Improving of motivation and education of employees and innovation of promotional materials will help to the image of the company in the eyes of customers.

CONCLUSION

The aim of my bachelor's thesis was to work up obtainable literature focused on communication and communication mix with its tools and implement detailed analysis of communication mix of the company Teilo Engineering Ltd.

In theoretical part I characterised on the basis of scholarly literature communication and communication mix with all its tools followed by situation analysis such as SWOT, which reveals external and internal factors, which affect company. Further I described theory of marketing research finished by theory of questionnaire, because I consider this theory as a necessary base for marketing research realisation.

In practical part I did analysis of Teilo Engineering's communication mix and all its parts in detail. I focused on practical things and methods which company uses. Next important point of practical part is SWOT analysis where I found strengths, weaknesses, threats and opportunities for the company. Marketing research was realized by questionnaire, where I asked 92 respondents and 76 of them replied. I used results of this questionnaire for suitable recommendations for the company.

Teilo Engineering wants to attack the markets of Central and Eastern Europe in the next few years. I hope that my analysis of the communication mix will help them to improve their communication mix for satisfaction of customers and will help them to be successful in these markets.

ZÁVĚR

Cílem mojí bakalářské práce bylo zpracovat dostupnou literaturu zaměřenou na komunikaci a komunikační mix s jeho nástroji a provést detailní analýzu komunikačního mixu společnosti Teilo Engineering Ltd.

V teoretické části jsem charakterizoval na základě odborné literatury komunikaci a komunikační mix s jeho nástroji, následovaný situační analýzou SWOT, která odhaluje externí a interní faktory, které ovlivňují společnost. Dále jsem popsal teorii marketingového výzkumu, zakončenou teorií dotazníkového šetření, protože považuji tyto znalosti za nezbytné pro realizaci výzkumu jako takového.

V praktické části jsem detailně provedl analýzu komunikačního mixu společnosti Teilo Engineering a všech jeho částí. Soustředil jsem se na metody a postupy, které společnost již využívá. Dalším důležitým bodem praktické části je SWOT analýza, kde jsem rozebral slabé a silné stránky společnosti a také příležitosti a hrozby pro společnost. Marketingový výzkum je realizovaný pomocí dotazníku, kde bylo tázáno 92 respondentu a 76 z nich bylo ochotno odpovídat. Výsledky dotazníkového šetření jsem použil spolu s dalšími návrhy k závěrečným doporučením pro vylepšení komunikačního mixu společnosti.

Teilo Engineering by se chtělo pokusit proniknout v následujících letech na trhy ve střední a východní Evropě. Doufám, že analýza komunikačního mixu jim pomůže k vylepšení prvků komunikace pro větší spokojenost zákazníků a pomůže jim také v budoucnu uspět na těchto nových trzích.

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LIST OF USED SYMBOLS AND ABBREVIATION

PR Public relation

SEM Search engine marketing

SEO Search engine optimization

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LIST OF ATTACHMENTS

A I Questionnaire

ATTACHMENT A I: QUESTIONNAIRE

Teilo Engineering Ltd.

manufacturer of titanium components and other mechanical parts

As part of our customer service programme we are consistently seeking valuable feedback from our customers, such as you.

We base our entire business on the service provided to our all important customers. In relation to this, we would be extremely grateful if you could complete and return this questionnaire.

Thank you for choosing to do business with ourselves and for your cooperation in this matter:

Company name:	Your name:
Date:	Position:

1. How did you know about us?

- € Recommendation
- € Advertising
- € Teilo Engineering's employees
- € Other source

2. Why did you choose our company for engineering services?

3. What do you think about our promotional materials?

- € Excellent and synoptical
- € Quite good

€ Not very good

€ Bad

4. What kinds of our products do you utilise?

€ Titanium components

€ Seating components

€ Other components (Stainless Steel, Durastone)

5. Are you willing to pay more for good quality products?

€ Yes I am, I am sure that I will have quality

€ It depends on each product

€ Most often I choose the best rate between quality and price

€ Most often I buy cheaper products

6. How were you satisfied with the quality of our products?

€ Excellent

€ Good

€ Satisfactory

€ Poor

7. How would you classify willingness and friendly access of our employees?

€ Very professional, I am absolutely satisfied

€ Good, I am satisfied

€ It could be better.

€ Bad, I am not satisfied.

8. What do you think about our communication with you?

€ Professional

€ Good

€ It could be better

€ Bad

9. Were you satisfied with our company in total?

€ Yes

€ No

10. Would you use our products again?

€ Yes

€ No

€ In the case of need

11. Would you recommend our products to anyone else?

€ Yes

€ No

We look forward to working as part of your team in the future. Thank you for your time.