

# **A Marketing Mix Analysis of a Selected Company**

Vojtěch Doležal

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## **ABSTRAKT**

Bakalářská práce je zaměřena na analýzu marketingového mixu vybrané společnosti, která poskytuje fotografické a kinematické služby. Práce byla rozdělena na dvě části, teoretickou a praktickou. V teoretické části byly na základě literární rešerše popsány a následně shrnuty základní pojmy, které souvisí s marketingovým mixem a následně s vnitřním, vnějším a mezoprostředím společnosti. Cílem praktické části byla analýza současného stavu marketingového mixu vybrané společnosti. Na základě výsledků analýzy byla pro vybranou společnost navržena doporučení vedoucí ke zlepšení současného stavu, které mají za cíl zvýšit kvalitu poskytovaných služeb a následně také konkurenceschopnosti společnosti.

Klíčová slova: benchmarking, marketing, marketingový mix služeb, McKinsey 7S, PESTE analýza, Porterův model pěti sil, STP analýza, SWOT analýza

## **ABSTRACT**

This bachelor's thesis is focused on the analysis of the marketing mix of photographic and kinematic services of the selected company. The thesis is divided into two parts, a theoretical and a practical part. The theoretical part describes and summarises basic terms which are connected with the marketing mix and subsequently the internal environment of the company, the external environment of the company and the mezzo-environment of the company based on literature research. The main goal of the practical part was the analysis of the current marketing mix of the selected company. Based on the results of the analysis recommendations for the selected company leading to the improvement of the current situation, which aim to improve the quality of the provided services and consequently the company's competitiveness, were proposed.

Keywords: Benchmarking, Marketing, Marketing Mix of Services, McKinsey 7S, PESTE Analysis, Porter's Five Forces Analysis, STP Analysis, SWOT Analysis

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Motto:

*„Dělej vše podle toho, jak to cítíš.“*

Vojtěch Doležal

I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

# CONTENTS

<b>INTRODUCTION .....</b>	<b>10</b>
<b>I THEORY .....</b>	<b>11</b>
<b>1 MARKETING MIX.....</b>	<b>12</b>
1.1 MARKETING MIX CONCEPT 4 Ps .....	12
1.1.1 Product – services .....	12
1.1.2 Price.....	13
1.1.3 Place .....	14
1.1.4 Promotion.....	15
1.2 MARKETING MIX 4 Cs.....	17
1.3 MARKETING MIX 7 Ps .....	17
1.4 SERVICES.....	18
1.4.1 People.....	19
1.4.2 Processes .....	20
1.4.3 Physical evidence .....	20
<b>2 MARKETING OF MICRO-ENVIRONMENT, MEZZO-ENVIRONMENT AND MACRO-ENVIRONMENT.....</b>	<b>21</b>
2.1 THE MICRO-ENVIRONMENT .....	21
2.1.1 McKinsey 7S.....	21
2.1.2 The STP process.....	22
2.2 THE MEZZO-ENVIRONMENT.....	24
2.2.1 Porter's five forces analysis.....	24
2.2.2 Benchmarking .....	26
2.3 THE MACRO-ENVIRONMENT.....	26
2.3.1 PESTE analysis .....	27
2.4 SWOT ANALYSIS .....	28
<b>3 SUMMARY OF THE THEORETICAL PART .....</b>	<b>30</b>
<b>II PRACTICAL PART.....</b>	<b>32</b>
<b>4 INTRODUCING OF THE SELECTED COMPANY USING AN MCKINSEY 7S ANALYSIS.....</b>	<b>33</b>
4.1 BASIC INFORMATION ABOUT THE SELECTED COMPANY.....	33
4.2 MICRO-ENVIRONMENTAL ANALYSIS OF THE SELECTED COMPANY THROUGH MCKINSEY7S ANALYSIS .....	34
4.2.1 Strategy .....	34
4.2.2 Structure .....	34
4.2.3 Systems .....	35
4.2.4 Style.....	35
4.2.5 Staff.....	35
4.2.6 Shared values .....	35
4.2.7 Skills.....	35
<b>5 STP ANALYSIS.....</b>	<b>37</b>



5.1	SEGMENTATION .....	37
5.2	TARGETING.....	37
5.3	POSITIONING.....	38
<b>6</b>	<b>ANALYSIS OF THE MARKETING MIX OF THE SELECTED COMPANY .....</b>	<b>39</b>
6.1	PRODUCT – SERVICES .....	39
6.2	PRICE.....	40
6.3	PLACE.....	40
6.4	PROMOTION.....	41
6.5	PEOPLE .....	42
6.6	PROCESSES .....	42
6.7	PHYSICAL EVIDENCE.....	43
<b>7</b>	<b>SELECTED MARKETING ANALYSES AND ANSWERS FOR THE RESEARCH QUESTIONS .....</b>	<b>45</b>
7.1	ANALYSIS OF THE MEZZO-ENVIRONMENT OF THE SELECTED COMPANY - PORTER'S MODEL OF FIVE COMPETITIVE FORCES .....	45
7.2	ANALYSIS OF THE MEZZO-ENVIRONMENT OF A SELECTED COMPANY - BENCHMARKING OF THE SELECTED COMPANY .....	49
7.3	MACRO-ENVIRONMENT ANALYSIS OF THE SELECTED COMPANY - PESTE ANALYSIS .....	51
7.3.1	Politic and legal.....	51
7.3.2	Economical.....	51
7.3.3	Socio-cultural .....	51
7.3.4	Technological.....	52
7.3.5	Ecological.....	52
7.4	ANSWERING OF THE RESEARCH QUESTIONS .....	52
<b>8</b>	<b>SWOT ANALYSIS OF SELECTED COMPANY .....</b>	<b>54</b>
<b>9</b>	<b>PROPOSALS AND RECOMMENDATIONS.....</b>	<b>55</b>
9.1	TECHNICAL EQUIPMENT OF THE SELECTED COMPANY .....	55
9.2	PROMOTION OF THE SELECTED COMPANY .....	56
9.3	DETERMINING THE LONG-TERM STRATEGY OF THE SELECTED COMPANY.....	56
9.4	COMPANY CULTURE OF THE SELECTED COMPANY .....	57
	<b>CONCLUSION .....</b>	<b>58</b>
	<b>BIBLIOGRAPHY .....</b>	<b>59</b>
	<b>LIST OF ABBREVIATIONS .....</b>	<b>61</b>
	<b>LIST OF PICTURES.....</b>	<b>62</b>
	<b>LIST OF TABLES.....</b>	<b>63</b>
	<b>LIST OF APPENDICES .....</b>	<b>64</b>
	<b>APPENDIX I. PRICE LIST.....</b>	<b>65</b>

## INTRODUCTION

The photographic and cinematographic industries have been on the rise for years. With the advent of social networks, sharing photos and video clips it is easier than ever before. Sharing interesting life situations has become an essential part of a human life. Internet sales and the creation of e-shops also significantly supported the demand for photographic and kinematic services. Today, most companies use simple or more complex marketing plans to help them achieve their goals. The marketing mix is one part of marketing plan. A company strives to achieve the set goals by using marketing mix variables. The marketing mix is divided into two main groups such as marketing mix of products and the marketing mix of services. Marketing mix of services is an extended marketing mix for people, processes and physical evidence. As an alternative of marketing mix 4PS is often used marketing mix 4CS, which describes the marketing mix from the customer's perspective. In practical use STP analysis is made first and then the marketing mix is compiled. Some companies do not consider the marketing mix as essential, and this attitude can lead to unnecessary losses.

This bachelor thesis is focused on the analysis of the marketing mix of services of the selected company. The selected company provides cinematographic and photographic services primarily in Zlín where the photo studio is located. However, the services are also offered outside Zlín city and Zlín region.

The main aim of this bachelor thesis is to analyse the marketing mix of the selected company. With help of secondary sources, the theoretical part of this thesis is elaborated. In a theoretical section marketing mix 4PS, marketing mix 4CS and marketing mix 7PS is described. The theoretical part continues by introducing marketing analysis of micro-environment, mezzo-environment and macro-environment. At the end of the theoretical part, there are three research questions stated.

In the practical part of this bachelor thesis the selected company was introduced. The micro-environment of the company is analysed by McKinsey 7S analysis and based on this analysis the actual situation inside the selected company is determined. The mezzo-environment of the company is analysed by benchmarking analysis and Porter's five forces analysis, and macro-environment is analysed by PESTE analysis. After the individual analyses, the tools of the marketing mix of the selected company are described. The research questions are answered at the end of the practical part, where recommendations are also stated for improvements of the current situation of the marketing mix of the selected company. Their goal is, among other things, to increase quality of provided services.

## **I. THEORY**

## **1    MARKETING MIX**

One of the most important tools of modern marketing is the marketing mix. The marketing mix involves creating value for customers, as well as mutually profitable relationships (Kotler and Armstrong 2014, 72). Marketing theory introduces two common types of the marketing mix. The product-based venture is a marketing mix which consists of product, place, price, and promotion. The second type is a service-based venture which is divided into a product, price, place, promotion, people, physical evidence and processes (Crane 2013, 199).

### **1.1   Marketing mix concept 4 PS**

Marketing mix of the 4 PS represents the marketing mix from the point of view of the company, while the marketing mix of the 4 CS deals with the perspective of the customer. 4 Ps are the most common and known types of marketing mix. Prior to compiling the marketing mix, STP analysis should be performed (Managementmania 2018).

#### **1.1.1   Product – services**

A product is an essential part of the marketing mix and can be divided into several groups. The product can be either tangible or intangible. Tangible products include for instance vegetables, a bottle of wine or various electronic devices. Intangible products are for instance various patents or software. The product is classified into two general categories such as consumer products and business products. Consumer products serve to fulfil the needs of a family or a single person. Business products are bought by companies in order to create another product. These groups can be further broken down by other variables (Dibb et al 2016, 299-301).

New products that are introduced to the market have certain limitations. Such limitations are related to the particular industry or branch in which the products are used. Many products need certification or approval to show that they are not in the slightest harmful. These certificates and standards are issued by the government (Srpková 2011, 23-24). Products and services after some time on the market usually need some innovations. These innovations include the development of products or improvements of services. Marketing theory describes four stages of product or service innovation and each of them has specific patterns (Braines 2013, 215).

### **Product levels**

In marketing, the product levels are divided into three categories, which are the core product, the actual product and the augmented product. The core product is the fundamental part of a product level, and it can ensure the highest customer satisfaction. It is the advantage that a customer gets by buying a product. The actual product deals with factors such as quality and durability, packaging or the brand name. The last product level is the augmented product. This level offers certain customer benefits connected with the purchase, for example, after-sales support, express delivery or extended warranty (Dibb et al 2016, 303).

### **Product life cycle**

Every single product has a life cycle. Each stage has specific marketing rules. The product life cycle is divided into four stages:

1. The introduction stage starts when the product is introduced to the market. The product is not well-known, and the initial costs are high. For this reason, profit is usually negative. It is necessary to ensure a good way of promotion in the first stage. The company has to count with a high possibility that the product will be unsuccessful.
2. The growth stage occurs when product demand and sales rise rapidly. The customers know about the product, and their interest is growing. New similar products start to emerge on the market, resulting in a decrease in the product price.
3. The maturity stage is characterised by the maximum volume of sales, as well as decreasing expenditure on promotion and manufacturing. However, the number of competitors is significantly higher on the market.
4. The decline stage occurs when product sales gradually drop. Products with better technology or higher quality emerge on the market. Investing in advertising is not appropriate, and it is suitable to introduce a new, better type of product (Dibb et al 2016, 306-308).

#### **1.1.2 Price**

Pricing is a complex but essential process. Price is influenced by fixed costs such as salaries, an operation of the manufacturing premises or operation of vehicles and variable costs, for instance, energy cost or overtime and bonus payments (Braines 2013, 237). Pricing is a building block for determining the strategy of company such as profit maximisation, achieving the largest market share in the market or focusing on the survival of the company (Srpková, 2011, s. 24). The price for the product and services can be determined by the cost-

oriented approach, demand-oriented approach, competitor-oriented approach, and value-oriented approach. In marketing theory, there are two main pricing strategies such as skimming strategy and penetration strategy (Braines 2013, 224).

### **Skimming strategy**

The initial product price is set high. This strategy is suitable for those customers who can pay a higher price for certain luxury or premium types of products or services. After some time, the price decreases because other competitors introduce substitutes on the market. For effective skimming strategy the market needs to meet the following criteria:

- demand is likely to rise inelastically
- where there are high barriers to entry
- companies need to refund their research and development (Braines 2013, 252-253)

### **Penetration strategy**

Penetration strategy is the opposite of skimming strategy. Price of product or a service is set low with the intention to reach a large number of potential customers. If customers are satisfied with the product or service, then they are willing to pay more money. Conditions for effective market penetration are:

- where there is a potential threat of competition
- where there are low barriers to entry
- where product life cycles are expected to be extended (Braines 2013, 205-253)

### **1.1.3 Place**

Distribution is another integral part of the marketing mix. The purpose of distribution is to make products or the services available to the customer. There are many distribution channels which are mutually intertwined. Customer has their own unique needs, and it is important to know them. Creating a distribution channel may take a long time because creating a good distribution channel is a very complex issue. The companies should be able to determine its place on the market then it is easier to establish a functioning distribution channel (Zamazalová 2010, 225-226). The place so-called “distribution” deals with questions of “how to get certain product or service to the customer” or “where the product or service will be available to the customer”. Some factors influence the customer perception of the distribution quality such as flexibility, time in transit or dependability. Distribution channels represent an extensive group that influences the marketing mix (Braines 2013, 326-332).

**Direct distribution**

This type of distribution is based on the omission of intermediaries such as a broker, wholesaler, agent or retailer from a selling process. During the selling process, the producer is in direct contact with the consumers. The advantages of this type of distribution are for instance building a strong relationship with customers, producer has the whole sale process and final price under control. These prices of products or services are lower because of omitting intermediates. On the other hand, disadvantages are that there is a need to establish a great deal of contact with potential customers or offering a low variety of products (Braines 2013, 334-335).

**Indirect distribution**

The whole process of indirect distribution connects producers, all kind of intermediaries and consumers. There are many types of intermediaries such as agents, merchants, distributors, wholesalers or retailers. The disadvantages of the indirect distribution are losing control of goods or increase of the price of the product or services whereas advantages are reaching more target customers or working knowledge and experience of intermediaries (Braines 2013, 335).

**1.1.4 Promotion**

The promotion is an essential part for a company. Promotion significantly helps to achieve the economic goals set by company (Srpová et al 2011, 26). Communication mix consists of five basic tools such as advertising, sales promotion, public relation, direct marketing and personal selling. Each tool from communication mix has its specific role, but the main goal of promotion is communication with the potential customer and stimulation of buying behaviour (Braines 2013, 294).

**Advertising**

Advertising is a non-personal type of communication. By means of which to which, each company spread their message, and they try to reach potential customers. Kotler and Keller think that advertising can build a long-term image of a product and its brand. Some types of advertising can be financially demanding such as radio, television or billboards. Kotler and Keller classified advertising types according to function, information value, reinforcement or reminder. Informative advertising tries to provide potential customer with information about the offered products or services. Persuasive advertising is designed to persuade a customer to buy the product. One of the most common techniques of how to

persuade the customers is comparing two or more brands because that can highlight the properties and quality of the company's product or services. Reminder advertising is targeted on loyal customers with intention to remind them of the fact that they can use or buy products or services again (Kotler and Keller 2016, 596-609).

### **Direct marketing**

In direct marketing tools of marketing communication are used. A seller has basic information about customers, and is in direct contact with customers. The main goal of direct marketing is submitting an offer that suits the customer the most. The tools of direct marketing are for example direct mail, telemarketing, personal campaign or web targeting (Managementmania 2016).

### **Public relations**

Building an image and a strong brand of a company is an integral part of marketing. Good awareness of the company can help establish new contacts, potential customers and also reinforce relationships with existing customers. Companies can use many ways to make themselves visible for instance sponsoring sports teams or cultural events. (Srpová et al 2011, 26). According to Kotler and Keller, public relations comprise simple and very efficient ways of spreading information about the company in a positive way (Kotler and Keller 2016, 629).

### **Social media marketing**

Social media marketing was established in 2004. This year is connected with the founding of significant social media, such as MySpace, Flickr or Facebook. These social media platforms were followed and in subsequent years many other media, such as YouTube and Twitter, were founded. Social media marketing is known under the abbreviation SMM. Social media are a tool that offers new opportunities to entrepreneurs and companies alike. Unfortunately, many of them are using social media in the wrong way. It is important to realise that social media marketing is a single piece in the whole area of marketing. Therefore, it should not replace other traditional marketing methods (Crane 2013, 9-10).

Social media marketing has a number of important aspects:

- creating new and attractive photos, tweets or videos
- the building of a big fan base of a brand or company
- being in touch with people and to respect them



- correctly defining the social media ecosystem such as owned, paid and earned media (Barker et al 2017, 2-3)

## 1.2 Marketing mix 4 Cs

Marketing mix 4 CS is an alternative to marketing mix 4 PS. Comparison of marketing mix 4 PS and 4 CS is displayed in the Table 1. During creating of the marketing strategy, it is appropriate to consider customer's needs and with this problem deals with marketing mix 4 CS where each "c" represents one of variables, which are customer values, costs, convenience and communication:

- **Customer value:** customer selects from large scale of the products or services. Generally, people choose products or services which have the greatest value for them. If they are satisfied with the value, then they decide to purchase the product or services.
- **Customer costs:** are costs incurred after the purchase of the service or product. It is connected to delivery costs and operating costs.
- **Convenience:** services or products which have been purchased should be invigorating and appropriate for the customer. The customer should feel the benefits and comfort from the purchasing of the service or products
- **Communication:** instead of propagation which is mentioned at the 4 PS marketing mix in marketing mix 4 CS communication is included. For the customers, communication is an important factor, and by means of the communication with the customer, the company can get interesting and valuable information about their products (Managementmania 2016; Businessvize 2010).

Marketing mix 4 PS	Marketing mix 4 CS
Product	Customer value
Price	Customer costs
Place	Customer convenience
Promotion	Communication with customer

*Table 1. Comparison of marketing mix 4 PS and 4 CS (Source: own processing)*

## 1.3 Marketing mix 7 Ps

Marketing mix 7 PS is the so-called "marketing mix for services". Originally marketing mix consisted only of 4 PS namely product, price, place and promotion. The marketing mix 4 Ps

was modified into many other forms. For service, marketing mix 7 PS was defined which consists of product, price, place, promotion, people, processes and physical evidence. The companies that offer services are particularly affected by the last three variables of marketing mix 7 PS, and for this reason, it is important to take into account these influences (Braines 2013, 371).



Picture 1. Marketing mix 7 PS (Source: Dibb et al. 2017, 624)

## 1.4 Services

Human society and our economic situation are characterised by enormous growth of demanded and provided services around the globe. People's lives are changing, and due to more free time also the needs are changing. On the market, there is a large number of complex products available which need services to proper function. During the eighties of the last century appeared notion "deindustrialisation of the economy". It means that growth rate of industrial manufacturing was slower than growth of services. Work in services is connected with manufacturing industries. Manufacturing companies offer tangible products, guarantee, repair, maintenance and other services. Services are intangible activities which are used to satisfy customer needs (Vašítková 2014, 14). The services can be divided according to sectors:

- Finance, hotel business and lawyer's business belong to the business sector.
- Computer operation and administration belong to the manufacturing sector.
- Sales personnel or cashiers are part of the retail sector (Braines 2013, 359-361).

### Immateriality

Immateriality is the most characteristic property of services. The services cannot be tried before purchasing. Things like quality of the offered services, responsibility, personal

approach and many more are unapparent, and customer can verify these things only after the purchase and execution of the services. Inability to test the services leads to an uncertainty of customers when choosing and purchasing services (Vašítková 2014, 16-17).

### **Inseparability**

Inseparability is the other specific feature and shows that production and consumption of services cannot be separated. It means that a customer is a co-producer of services because a customer has to spend time and money so that the service can be performed. Inseparability and heterogeneity are very intricately patentable (Vašítková 2014, 17-18).

### **Heterogeneity**

Heterogeneity or also the variability of the services is related to quality of the provided services. During the provision of a service, a service provider meets personally with a customer. It is difficult to predict the customer's and the provider's behaviour during such a process. Therefore, customers can receive services with a different level of quality (Kotler 2016, 425-426).

### **Degradability**

Due to immateriality services are impossible to store, distribute or return. Services are consumed at a place of their performance. If the services are provided to variety of customers, it is appropriate to consider their needs specifically because each group of people is slightly different (Braines 2013, 367-368).

### **Ownership**

It is impossible to own services that relates to degradability and inseparability. When a customer goes to shop and purchases goods, it means that the customer owns the exact thing, whilst when the customer goes to hairdresser, he does not own the service, but owns the right to perform the service or the services to be performed (Braines 2013, 368).

#### **1.4.1 People**

The people are a key element in a marketing mix 7P. Service producers are daily in touch with their customers, and their behaviour and professional approach are necessary for a quality services delivery. Nowadays, large and also small companies already use work programs for their employees with the intention to improve access and professionalism. Continuous employee training leads to increased customer satisfaction. The quality of companies depends on the quality of their employees (Braines 2013, 373).

### **1.4.2 Processes**

Organisation's activities affect customer service. It is a group of activities which deal with how the service will be provided or supplied and determine how the entire service will be provided in each step such as ordering, selecting a service type, performing the service or payment of the service (Braines 2013, 373). The processes as a tool of marketing mix 7 PS can be divided into main processes and supporting processes. Companies which are growing are adjusting to trends and improving their internal processes. Poor process control in a company can affect price and customer satisfaction (Managementmania 2018).

### **1.4.3 Physical evidence**

This tool of the marketing mix concentrates material resources to help mediate offered services. Customers are influenced by elements such as quality of the services, environment in which the service was performed and communicative and professional approach of employees. Due to physical evidence, a customer estimates the quality of a product. Sales brochure and literature showing detailed information about the services are used very often. The staff who provides a service is specially dressed and trained in the industry so they can provide the customer as much information as possible. The marketing tool of physical evidence can be divided into essential evidence and peripheral evidence. Essential evidence deals with key elements which are important for customer before they decide to buy a service, for example, the quality of offered cars in a rental shop. Peripheral evidence is, for example, a sales literature which customer takes away and then serves as a reminder of the offered service. In overall assessment of services, a customer does not attach high importance to the peripheral evidence (Braines 2013, 373).

## **2 MARKETING OF MICRO-ENVIRONMENT, MEZZO-ENVIRONMENT AND MACRO-ENVIRONMENT**

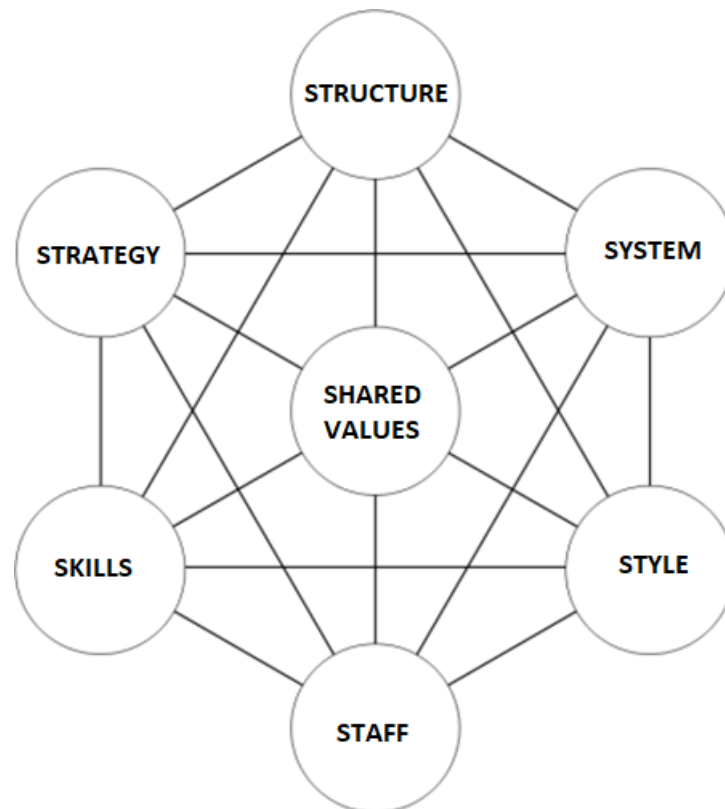
Marketing environment consists of elements which can immediately or will in the future influenced by running of a company. There are influences which are positive and many that are negative. The environment is evolving during time. It can bring opportunities but also threats. The basic distinction is for marketing micro-environment and marketing macro-environment. Some of these marketing environments can influence the company more and some less. Each company can use strategies according to the opportunity on the market and their knowledge. Marketing of micro-environment can be influenced in some way by a certain society while marketing of macro-environment is hardly influenced by a single company because there are influences which are not connected with their competences (Kotler and Armstrong 2014, 92-93).

### **2.1 The micro-environment**

There are elements which are closely connected with the company. These elements are for example customers, suppliers, competitors, marketing intermediaries and public. According to Kotler, the most important element in micro-environment is customer. Management would make an effort to maintain customers and build new contacts on the market. (Armstrong and Kotler 2013, 94-95).

#### **2.1.1 McKinsey 7S**

This method is utilised to critically evaluate certain factors inside company and belongs to the model's critical factor success which is used for instance in project management. It is a simple analytic method which is known as Paret rule or Bottleneck process. McKinsey 7S consists of strategy, structure, system, shared values, skills, style and staff. All mentioned tools of McKinsey 7S analysis are shown in the Picture 2. McKinsey 7S tools. This technique was created in the early 80s of last century (Managementmania 2015).



Picture 3. McKinsey 7S tools (Source: Managementmania 2015)

### 2.1.2 The STP process

This marketing process contains three groups: segmentation, targeting and positioning. Marketers try to determine, on whom and why focuses by the help of these three groups. This analysis is also used for the implementation of a new product on the market and influences many other factors. In the book *Essentials of Marketing* the definition of benefits of STP analysis are as follows “Enhancing a company’s competitive position, providing direction and focus for marketing strategies, including targeted advertising, new product development and brand differentiation” (Braines 2013, 165). Each customer is different, and each customer has different needs. Market segmentation helps with effective determination of the specific needs of consumers. After the market segmentation there comes a choice of customers which is called targeting. The last step is positioning. Positioning has to be effective and should differ from competitors. This whole process is called STP analysis (Crane 2016, 84).

#### Market segmentation

Each existing customer as well as a potential customer can be placed to a different segment according to their needs, locations where they live, resources which are available to them,

age, personality and many other factors. Market segmentation helps sellers divide market from large segments to the smaller segments that are more specific or unique. There are four important segmentation sections: the segmentation of the consumer markets, the segmentation of the international markets, the segmentation of the business markets and the requirements for effective segmentation (Armstrong, Kotler and Opresnik 2017, 198). Efficient segmentation of market is a complicated task which requires a good knowledge of market as well as common sense. Major segmentation criteria for consumer markets is divided into geographic, demographic, psychographic and behavioural segments. For a successful market segmentation, these five words needs to be respected: measurability, accessibility, substantiality, differentiability and actionability (Armstrong, Kotler and Opresnik 2017, 199-206).

Geographic segmentation is based on a location where consumers live. Potential customers and their needs are influenced by religion, customs, traditions and climate. The size of city, population density, urban or rural kind of population all these factors play a role in market segmentation (Braines 2013, 175).

Demographic segmentation is connected with population. Potential consumers on the market are divided by age a life cycle, gender, income, education, generation and ethnicity. Demographic segmentation is to the most popular type of segmentation due to fact that customer's needs are closely linked with demographic factors. These main segmentation elements may be further divided into smaller elements (Armstrong, Kotler and Opresnik 2017, 200).

### **Market targeting**

If company decides to manufacture a product or offer services for a unique and characteristic set of potential customers, it is market targeting. It is the second part of STP analysis. Market targeting is divided into undifferentiated mass marketing, differentiated segmented marketing, concentrated niche marketing and micromarketing.



*Picture 4. Types of market targeting (Source: Armstrong, Kotler and Opresnik 2017, 207)*

Undifferentiated mass marketing targeting is a type of targeting when market segmentation is ignored. The company offers products or services to the whole market without any plan or targeting on a certain segment. The company tries to for addressing of

the widest possible reach of the potential customers. Many of the modern marketers think that this type of targeting is a bad strategy type (Armstrong, Kotler and Opresnik 2017, 207-208). Differentiated marketing targeting has two or more segments on which the company wants to target. Each of these segments is attractive to company. Targeting of multiple segments is financially demanding. The marketers usually try to design a specific solution for each segment (Crane, 2013, 93; Braines 2013, 189). Concentrated marketing targeting is called “niche marketing”. This targeting strategy is not targeted on many market segments, on the contrary, an organisation focuses its marketing targeting on single market segment by the certain type of marketing mix (Dibb et al. 2017, 233). Micromarketing targeting is divided into two groups. The first group targets on local marketing segments and the second group aims on individual marketing segments. Micromarketing is a marketing strategy by which is targeted on customers who live in the neighbourhood and the customers who have unusual and specific needs (Armstrong, Kotler and Opresnik 2017, 209).

### **Market positioning**

Positioning is the last part of the STP analysis. The role of positioning is to distinguish a certain brand from other brands in customers' heads. Products or services have their own image, which is different from the competition. Positioning is connected with any part of the sale of a product such as employees, packaging, delivery or anything that can influence feeling of the potential customers (Kurtz 2015, 298-299).

## **2.2 The Mezzo-environment**

Mezzo-environment is a specific type of environment. Companies can influence only a certain number of variables that affect society. This environment can use for example these two marketing analyses. The first method is Porter's model of five competitive forces and the second method is Benchmarking.

### **2.2.1 Porter's five forces analysis**

Michael Porter created a concept which makes it possible to analyse a chosen corporation according to certain rules. He determined the following variables that can influence the company which are potential market entrants, buyers, competitors, suppliers and substitutes (Kotler and Keller 2016, 285). Each organisation should consider the importance of the Porter analysis. This strategy is best suited to determine how the company will stand among its competitors (Magretta 2012, 44-45).



**Competitive rivalry**

For a company is a certain market segment unattractive if it is already full of powerful competitors. It is also necessary to take into account the stability of a branch. If the environment is stable or declining this market becomes unattractive. The competitive rivalry is influenced by the type of market. Price wars are happening very often (Kotler and Keller 2016, 285).

**Threat of new entrants**

Not every market has some barriers that prevent the entrance of new companies on the market which would seek to gain market share, but very often there are some barriers. The new potential competitors are taken as price stabilisers. Prices of products and services are frozen because an increase in the price could attract new manufacturer and producers. On the other hand, existing vendors experience higher costs in order to keep their customers. This discourages potential entrants who are considering entering the market (Magretta 2012, 52).

**Threat of substitutes**

Substitutes are products, or services that satisfy customers' needs as well or similarly to already existing product or service on the market. The substitutes often reduce the price of products and services and consequently decrease a profit. A company that is considering if the substitute is competitive would have to consider price and quality ratio (Magretta 2012, 50).

**Bargaining power of customers**

If customer has a good negotiating position, they can try to reduce the prices of products or services. Buyers can also require a higher added value of a product that will lead to a decrease in profit. If a customer wants to negotiate a better offer, it should focus on smaller companies. With small companies, communication about the terms is always better than with large companies (Kotler and Keller 2016, 286; Magretta 2012, 47).

**Bargaining power of suppliers**

For a company, it is better if it has more suppliers because the company can choose which one has the cheapest product and also a product at a high-quality level. If company is dependent on just one supplier, then negotiating might be complicated. In case that the

company has just one supplier, it can lead to price increases and consequently to profitability reduction (Kotler and Keller 2016, 286).

### **2.2.2 Benchmarking**

Benchmarking is a method of strategic management, and it is a part of the mezzio-environment analysis. A company Xerox is considered to be the founder of a benchmarking. In the seventies, this company was in financial difficulties. The leaders of the company found out that their production costs are on the same level as the selling price of the Japanese products of the same quality level. Xerox made a comparison with the other companies, and this resulted in benchmarking (Nenadál, Vykydal and Halfarová 2011, 11). According to Tomek, and Vávrová benchmarking is a systematic process in which certain company compare their product, services, functions and processes with the greatest competitor. Based on the gained information the company is trying to think about shortcomings and find improvements (Tomek and Vávrová 2011, 160).

#### **Types of benchmarking**

The authors Nenadál, Vykydal a Halfarová divide benchmarking into three main groups which are performance benchmarking, functional benchmarking and generic benchmarking. Performance benchmarking method compares for example, a worker performance or a machine performance. It is a comparison of close competitors with similar services or products. Comparison refers to products that are not sensitive to information. Functional type of benchmarking compares functioning of companies. This type of benchmarking does not belong to the cheapest methods nevertheless the advantage is that it needs only one external partner who do not have to be a direct competitor. Generic benchmarking is a process inside an organisation comparing especially of working process. The compared processes can be for instance communication inside a company or providing of services in a hotel. This type of benchmarking is more complex, but the results can lead to significant improvements (Nenadál, Vykydal and Halfarová 2011, 20-24).

### **2.3 The macro-environment**

The companies are influenced by many external factors. Marketing theory describes many types of external analyses. Nowadays following analyses of the external environment of company such as PEST analysis, PESTE analysis or PESTLE analysis are used. The mentioned analyses are similar, but each one has different specialisation on certain factors. These analyses can also be found under different denomination as PESTEL or STEER, but

they are the same. On a market unpredictable situation can appear which may cause a positive or negative impact for company. Mentioned analyses attempt to describe situations that may cause certain problems and design possible solutions to these situations (Managementmania 2015; Braines 2013, 36).

### **2.3.1 PESTE analysis**

External phenomena that are difficult to influence for are concerned with the PESTE analysis. This analysis is an acronym of initial letters of certain external factors. PESTE analysis consists of political and legal factors, economic factors, socio-cultural factors, technological factors and ecological factors (Managementmania 2015). The main goal of this analysis is to identify all relevant factors that affect the company and after that select the most important influences and trends acting over time (Kozel 2011, 45).

#### **Political and legal factors**

Factors of this group can influence the situation of the whole country. In the history of the Earth a large number of laws have been published which have completely changed conditions on the market. It is also necessary to consider that each political party has different interests and it depends on who has the power. New laws and rules for example about tax, government investment or subsidies are influencing each company on the market (Armstrong, Kotler and Opresnik 2017, 113-116). Each market participant may have to take into account legislation, which influences their possibilities and opportunities. Consumer protection legislation tries to protect the consumers against for example damage to a property, protection of children, from flammable substances and many others. Legislation also deals with imperfect competition on the market and the disputes that arise in this sector (Dibb et al. 2017, 78-79).

#### **Economic factors**

The condition of the whole national economy shows prosperity of each country. Economic factors are for example inflation, consumer confidence in certain currency and economy, availability of loans in the economy, cost living and interest rates (Braines 2013, 39-41). The economy can be influenced by various factors such as crisis. During the Great Recession which originated in the USA almost all countries across the world were hit. The mentioned factors have an impact on companies on the market, and each company would observe the situation and have strategies in case of changes in conditions (Armstrong, Kotler and Opresnik 2017, 108-109).

**Socio-cultural factors**

Socio-cultural factors are mutual relationships between marketing, society and culture (Armstrong, Kotler and Opresnik 2017, 116-119). Many diverse people and group of people live in the world and have different needs. These individual groups have different life needs and also different living condition. Demographic factors such as gender, population density or age can also be considered as the socio-cultural factors. In the cultural factor's habits, approaches, type of living and religion are included in the cultural factor's (Braines 2013, 41). Nowadays people want to reach the highest standard of living. Comfort, satisfaction and a happy a life are very important parts of today's society (Dibb et al. 2017, 82- 83).

**Technological factors**

Nowadays the technology develops quickly and due to needs of customers is also changed fairly frequently. Technological changes are an integral part of marketing because of new devices, patents and technologies. The human productivity increases as a result of improvement of communication technologies or transportation (Braines 2013, 42). Online marketing and social media marketing are powerful tools which are a big game changer. Technological development is an inseparable part of companies and can represent either opportunities or threats (Armstrong, Kotler and Opresnik 2017, 110-113).

**Ecological factors**

The protection of environment is a big challenge for today's manufacturers. Frequent problems with water pollution, global warming, wasting of material or depletion of the ozone layer are revealed. The manufacturers are under government control because without doubt there are many irresponsible companies and they do not attach great importance to ecology. Many consumers prefer eco-friendly companies that try to be gentle to environment and use for example renewable sources or work with recyclable materials (Kurtz 2015, 87-88).

**2.4 SWOT analysis**

Marketing audit of some organisations the so-called "SWOT analysis" is one of the most important tools. This analytical technique is used to evaluate internal and external factors that affect the functioning of organisations. SWOT analysis is a tool for monitoring internal factors that can be influenced by a company and external environmental factors that can be hardly influenced by the company. It is a certain number of items which the company should focus on. (Vašítková 2014, 38; Kotler and Keller 2013, 71)

**Analysis of the internal environment**

In the internal environment of a company two groups of factors are represented which are strengths and weaknesses. Every company should look for its weaknesses and strengths. Only the most important weaknesses and strengths that are of paramount importance to selected company should be taken into account. The strengths of a company are for example responsibility of the company to the environment, high quality of services, solvency or qualified personnel. Obsolete machines, unqualified personnel, untapped potential of inexpensive promotion and poor internal production processes can be included into the group of weaknesses. (Kotler and Keller 2016, 72).

**Analysis of the external environment**

This external analysis analyses factors such as opportunity and threats. For a company, it is essential to have information about the situation in macro-economic and micro-economic factors which can influence functioning and profitability of the company. Quality marketing team will reveal these possible opportunities and threats and use them with the intention to make profit. Marketing opportunities are for example an acquirement of unique commodities, upgrades and innovations of products or the services, increasing of demands, decreasing price of material or components and climatic changes. Also, threats belong to the external analysis. Threats may be caused by development and changing trends. If such changes are not detected soon enough, they can cause risks in the form of a reduction in profits, or they can cause other problems for the companies. Threats are for instance change of the economic cycle, bad creditability of customers and number of competitors (Kotler and Keller 2013, 70-72).

### 3 SUMMARY OF THE THEORETICAL PART

The theoretical part of this bachelor thesis deals with the basic principles of the marketing mix. Marketing as a science that uses many standard and proven analyses. For each company different type of marketing mix may be appropriate. The primary division of the marketing mix depends on the product offer or the provision of services. The marketing mix is one of the primary marketing tools used to achieve the company's goals. Therefore, the company should have an overview of each part of the marketing mix. There are the basic tools of the marketing mix mentioned in the individual subchapters. The selected company provides services and for this reason marketing mix of services is described in the theoretical part of this bachelor thesis.

Marketing analyses are also closely linked to the marketing mix. The marketing mix can be created based on these analyses. Individual analyses can be divided into three major groups. The micro-environment of company deals with the processes inside the company. For example, McKinsey 7S analysis serves for the analysis of inner environment of company. This analysis describes seven key factors, which influence the successful operation of company. For analyses of mezzo-environment, that can be partly affected by a company two analyses were chosen. The first is Porter's five forces analysis. Porter's analysis describes specific industry and its risks. The second mezzo-environment analysis is Benchmarking. Benchmarking is a systematic measurement and analysis of processes and its comparison with competitors or other market participants. On the other hand, macro-environment deals with factors that cannot be directly affected by the company. PESTE analysis is one of the analyses that is used to analyse macro-environment. In the PESTE analysis there are following political and legal, economic, social, technological and ecological factors.

The last part of the theoretical section describes basic methods of strategic analysis. In the SWOT analysis, there are all the factors influencing companies included. These factors are based on previous micro-environment, mezzo-environment and macro-environment analyses. In individual parts of SWOT analysis include the most important factors that can either positive or negative effect on the company.

The research questions were defined by processing the theoretical bases and using the logical method of induction. Answers to the research questions will be identified in the practical part of the thesis.

- *Research question number 1: Does the selected company have a wide range of the offered services?*
- *Research question number 2: Does the selected company use social networks for its promotion?*
- *Research question number 3: Does the selected company use modern equipment?*

The mentioned questions will be answered by the deduction that belongs to logical methods.

## **II. PRACTICAL PART**



## 4 INTRODUCING OF THE SELECTED COMPANY USING AN MCKINSEY 7S ANALYSIS

In the following chapter, a selected company will be introduced, and the internal analysis will be formed by McKinsey 7S analysis. The selected company did not wish to be named. All information about the selected company was gathered from internal material and interviews with selected employees.

### 4.1 Basic information about the selected company

The selected company resides in Zlín region, more precisely in Zlín where its photographic and cinematographic services are offered. The selected company was founded in 2015. Zlín city has been chosen for its easy accesses and high number of people who live there and who visit the city on a daily basis. Due to continuous development of technologies, marketing and communication channels such as social networks, the demand for photographic services has been constantly growing for several years. As a result, the selected company is growing, developing and trying to offer its customers quality services that follow current trends. The selected company did not want to give exact economic information, but in the last accounting period, it was in profit of several tens of thousands of crowns. This company ranks to small family businesses. In the selected company there are three people who maintain the company's overall operations. Each of those people is responsible for a certain range of customers according to their professional specialisation. The selected company has quality equipment that can be used for a wide range of photographic and cinematographic services. The company's equipment includes several Canon and Panasonic cameras, several Canon, Sigma and Tamron lenses. The price is equal to the current price of goods.

- camera Canon 5d3, the price is 28,000 CZK
- camera Canon 5d2, the price is 18,000 CZK
- 2x camera Panasonic Lumix GH5, the price for both pieces is 70,000 CZK
- lens Sigma art 35mm, the price is 15,000 CZK
- lens Tamron 15-30mm, the price is 15,000 CZK
- 2x lens Sigma art 18-35mm, the price for both pieces is 30,000 CZK
- lens Canon 17-30mm, the price is 9,000 CZK

Photo studio equipment includes several tripods, studio lights, photographic background, flash-lights and several dozen props. Nowadays, this field is connected undoubtedly with postproduction. Computers and laptops are used, and these devices work

with Adobe Photoshop and Adobe Lightroom software products. All photos and videos are stored in a company's internal storage, as well as on an online store where customers can browse previews. Mission of this company is effort to understand of the customer's wishes and capture unrepeatably moments with photos and videos, on the other hand, the goal of the company is to offer quality photographic services and to maintain stable and contented customers.

## **4.2 Micro-environmental analysis of the selected company through McKinsey 7S analysis**

By this method, the factors that influence internal functioning of the selected company should be revealed. All information was gathered from the internal materials of the selected company and based on interviews with employees.

### **4.2.1 Strategy**

The selected company does not have a clearly defined long-term or short-term strategy. Therefore, it is not possible to determine which goals they can achieve in the future. The company's direction is based on satisfied and returning customers. To this factor of the selected company will be paid attention in the suggestions and recommendations for improvement at the end of this bachelor thesis.

### **4.2.2 Structure**

The organisational structure of the selected company is divided into photographic and cinematographic branches. In these branches, individual members take care of their customers. In case of a specific service request that some employee is unable to fulfil, the task is forwarded on to another employee who ensures fulfilment of mentioned requirements. Only three employees work in the company, but their professional knowledge is so wide that it is sufficient to cover all services in the areas of photography, cinematography, graphic design and video editing. It means that all processes are divided between individual members except of accounting matters. Accounting is done by a specialised external worker. Due to the small number of employees, most of the processes are intertwined, including the use of corporate servers, which serve as storage and a place to back up data and support for customers.

### **4.2.3 Systems**

Management systems in this company are very marginal or on the inadequate level. There is no unified functioning system during processing of inquiries and orders. The selected company is considering implementing certain software that would be used to link individual members and recording of inquiries, orders, buyers, and suppliers. With this system, it would be possible to control the operation of orders, fulfilment of requirements and deadlines. This software will facilitate overall order management, as all information about each vendor and customer will be recorded in the system and available to all members of the company.

### **4.2.4 Style**

The chosen company uses democratic management style. Individual opinions and comments of employees are taken into account, but each member acts as a single unit, forming its own decisions. If it is a small order up to 10,000 CZK each employee is responsible for his own decision. In case of long-term cooperation, larger orders or internal company processes, it is essential that every member agrees unanimously. All the employees use one photographic studio for work, where all the equipment is placed. As a result, all employees are very often in personal contact, and it leads to a deepening of their relationships.

### **4.2.5 Staff**

Individual members of the selected company are equally involved in running of the company. Knowledge of workers is sufficient to perform the work. Therefore, the company operates without the need to seek additional employees. The motivation of individual employees is based on their feeling to do the work according to the customer's needs because they are evaluated by the customer according to work done.

### **4.2.6 Shared values**

The shared values factor of the selected company is less developed. So far, there is no clear concept of what the core values of a corporation are and how a company culture of the selected company will look like. This makes it difficult to assess the level of culture in the selected company. This point will be included in the proposals for improvement at the end of the bachelor thesis.

### **4.2.7 Skills**

Considering the small number of employees in the selected company, the individual employees are trained by external courses, video tutorials or webinars. The acquisition of

new skills and knowledge occurs when new equipment or new graphic trends emerge in the market. The strongest feature of this company is previously mentioned knowledge sharing and mutual problem-solving. Every employee excels in a particular field whether they are photographic techniques, work organisation, customer communication, advertising management, or post-production. It is difficult to evaluate the expertise of individual members of the selected company, especially because individual employees are constantly developing and improving.

### **Summary**

It is clear from McKinsey 7S analysis that the company has many unresolved internal problems to work on. Considering the size of the selected company, it will be possible to implement new concepts and improvements relatively inexpensively and in a short period of time. Factors such as company culture and structure need to be adjusted and a clear and coherent concept established. Since the skills factor is at a very good level in the selected company, should be included in strengths.

## 5 STP ANALYSIS

STP analysis was created based on geographic criteria and demographic criteria. Segmentation divides individual customers into groups according to certain criteria. Targeting focuses on evaluating the attractiveness of each segment. While positioning finds a target group and looks for a way to differentiate the selected company from the competition. All information was gathered from the internal materials of the selected company.

### 5.1 Segmentation

The objective of market segmentation is to identify and segment customers into individual groups. The company's customers were divided into three basic segments. **The first target segment** of the company is the private sector. Generally, the company's customers are people who use photos and videos for their own use only. People in this segment most often order services such as portraits photography, wedding photography, celebrations photography and wedding videos. **In the second segment**, there are companies that are also customers of the selected company. In most cases, the customers are e-shops, restaurants, machinery companies or construction companies. These entities most often use services such as promotional videos, product photos or photos and videos of workspaces and employees. In this segment, customers are much more demanding, but they are also willing to pay more money. **The third segment** is a non-profit and government sector. Demands and orders for photographic and cinematographic services are not very common in this sector. Non-profit organisations and the government sector are not a prospective segment, because people in this sector are not willing to pay for cinematography and photography services.

### 5.2 Targeting

Following the presentation of the segments, the most perspective sector will be identified. Currently, the company is focusing mostly on segments one and two. In the first segment, the company has around 70 % of all orders, but the sales ratio is 50 %. As mentioned above, the corporate sector is willing to pay for orders a lot of money, but penetrating these companies is not easy, and orders are not so frequent. The second segment, the company has 30 % of all orders but up to 50 % of the sales ratio. The second segment has a steadily increasing potential, thanks to the trends of modern times. First sector customers often consider whether the price of services is appropriate for them, and they are looking for an alternative in the form of replacing professional photographers and cameraman by

unqualified people for example family members. For this reason, the selected company wants to focus on sector two, where there are many untapped opportunities, fewer orders but they are better rated in the future.

### **5.3 Positioning**

The selected company strives to differentiate itself from the competition by providing the highest quality of services at medium prices and variability of offered services. The packages offered by the company are interesting, but they could be more sophisticated. The selected company also offers additional services such as reworking the final work or consulting in the case of selecting photographic, cinematographic equipment. The company strives to build a strong and stable customer base also with the help of Word of Mouth Marketing. Investments to the promotion are in the selected company negligible, and there are large reserves.

#### **Summary**

As mentioned above, the selected company divides customers into three segments. Each segment has a certain percentage of total orders and sales ratio. Although customers in the first segment have the largest number of orders, segment number two is more profitable for the company in the long term. For this reason, the company plans to focus more on the second segment in the future, which would result in a longer-term cooperation and, with it, more stable profitability. The company has some reserves in positioning, but they are aware of such a shortcoming. The company is considering the best option to build a strong brand. They want to meet this goal due to providing quality services and with the help of promotion that is currently based on the word of mouth strategy and social media.

## **6 ANALYSIS OF THE MARKETING MIX OF THE SELECTED COMPANY**

In the following chapter, the individual tools of the marketing mix of the selected company will be described. All the information needed to analyse the marketing mix was taken from internal documents and interviews with employees of the selected company.

### **6.1 Product – services**

The services offered are very diverse and can be divided into many groups. Individual services have specific requirements for workers knowledge and experience. First, it is necessary to divide the services into photographic and cinematographic, than subdivide these two groups into subgroups. It should be noted that this type of service does not end with photography or filming, but the workflow continues with subsequent editing and post-production. Subsequent workflows consist of editing video and photos, printing photos, importing video, post-production consultation, and delivering the final product to the customer, either in person or online. It is common for a worker to spend much more time with post-production than shooting or photographing in the studio or at the customer.

#### **Photographic services**

- external portrait shooting (family, pre-wedding, thematic)
- wedding photography (package basic, standard, premium)
- product photography (clothing, food, various items, production process)
- studio photography (new born, winter thematic, portrait)
- cultural and corporate events (sports events, parties, concerts)
- individual services, according to the customer

#### **Cinematographic services**

- wedding video
- music video clip
- product videos
- promotional videos
- individual services, according to the customer

## 6.2 Price

Pricing is mostly based on competitive prices. Price penetration was used in the first years of operation of the selected company when the prices for offered services were lower than the price of competition. Nowadays, when the selected company has its permanent customers and its name, the price level is determined according to the closest competitors and also by the condition of the Czech economy. The selected company thinks about changes of the pricing policy and differentiation from its competition, with intention to improve the quality of the services offered and thereby increasing the price levels.

Prices for individual services are in most cases set according to the action performed, and hourly margin is usually not taken into account. The customer can choose from many individual packages. The description of service exactly specifies what is included in. Most often, customers choose from wedding photo packages, which are divided into basic, standard and a premium version. The decisive factor in pricing includes the time it takes to photograph and to do post-production, compare pricing with competitors, and include additional factors such as photo printing, shipping, or special types of post-production. According to these criteria, the price is determined and is valid for one year. For certain specific orders and customers, prices are calculated based on company's workload, industry or order complexity. The selected company does not offer any discounts, to attract new customers because it would reduce the company's value to customers. Price list for provided services is included in Appendix I.

## 6.3 Place

The provision of photographic and cinematographic services may take place either in a photo studio or at agreed locations as is requested by a customer. Mostly service such as portraits, new born photography, body photography, Christmas themed photography or product photography are provided at the photo studio. The photo studio is located near the centre of Zlín city about three minutes from the trolleybus stop, but parking is a problem because there is a lack of parking spaces in this part of the city. The photo studio is located on the first floor which is suitable for pregnant women and older customers who do not have to go to up to stairs. Then there are also services that are provided on places that are in advance agreed. It includes for example wedding photography, shooting promotional clips, and any outdoor photography.



## **6.4 Promotion**

Although the promotion is an important part of this industry, the selected company invests in minimal amount of money to the promotion. The selected company uses social networks such as Facebook or Instagram for promotion, also their website or a communication with potential customers during the providing of services. Satisfied customers are also one of the types of promotion of the selected company. The main tools to communicate with customers are social networks and websites.

### **Social network Facebook of the selected company**

The company's Facebook page is the largest and most powerful promotion tool. All necessary information about the company is published here. Although the number of followers is quite low, about 400, most communications and inquiries are managed via Facebook. On Facebook page, there are photos published, which are divided according to categories. Facebook page is used to reach especially the corporate sector of customers seeking services such as portraits photography, wedding photography or shooting of video clips. Depending on the need, paid advertising is used on Facebook, which is intended for a selected group of people who live in the nearby locations of Zlín.

### **Social network Instagram of the selected company**

Like Facebook, Instagram is used to promote the company. Instagram is used as a secondary communication channel, and the company's portfolio is also published there. The best photos are published on Instagram with the intention to get as many followers as possible. Another advantage of Instagram is sharing of so-called "Instastories", in which the company's employees show how the preparation before the service is provided, how the actual photography or shooting takes place, or share their impressions and experience in order to get as close as possible to customers.

### **Website page of the selected company**

Today, the usage of websites for promotion is an absolute necessity. All company's information is published on its website. On the website a customer can find information about employees, services offered, portfolio samples, or inquiry forms. Using the website, the selected company focuses mainly on corporate customers. As a result, the site is intuitive and simple, and the portfolio focuses on product photos, festivals, music videos and promotional videos from companies. The inquiry form is used by customers to simply and quickly send a demand for required services.

### **Personal selling**

In providing services, employees constantly encounter a large group of people. This phenomenon makes it possible to promote the company very effectively. Very close links are established between service providers and customers when taking pictures and shooting videos is provided. This happens very often, for example, in wedding photography, taking pictures of children and parties or celebrations. Selected employees spend a great deal of time with their customers, thus building a certain relationship and confidence that enhances the feeling that the service has been done professionally and well. Employees can simply get feedback that is also very important.

## **6.5 People**

Due to the fact that only three people work in the selected company, the analysis of this part of the marketing mix is quite specific. Each employee takes care of his or her customers according to the type of service. In the selected company, there are no regulations about how an employee should behave properly to customers. Employees do not have a fixed working time, and the whole working process depends on customer requirements and workload. Individual employees are often in direct contact with customers, and their professional behaviour has a great impact on the company's functioning, especially in the customers' awareness of the company. Everyday direct contact with customers can bring stressful situations. Every customer is completely different and has different requirements. Taking photos and video clips is quite abstract, and every customer can see the result differently. Employees spend a lot of time at a computer doing orders, post-production of photos, or creating videos. As mentioned above, due to the direct contact with customers, employees pass an annual training course designed to improve employee communication skills. The company supports its employees and offers them contributions to sports activities. The sector in which the company operates is divided according to seasonality. Throughout the winter, the number of orders is smaller, and at this time of year, employees take care of the selected company's internal affairs and undergo the training.

## **6.6 Processes**

Processes are an important element for this company. With years of experience, the company has developed a precise plan for how photographic and cinematographic services are offered, how they are processed and how the final product is passed on. This process could be divided into two large groups, namely main processes and secondary processes. The main processes

of the company include acceptance of orders, fulfilment of specified service and delivery of final product.

Receiving orders is the first important process. It is often necessary to meet customers in person and the employee has to determine the exact customer's requirements. Understanding the customer's requirements is a key issue that in turn affects the entire order. If an employee discovers that the customer's ideas are different from those of the company, it is necessary to reject the job, even if it is against normal economic behaviour. Up to 50 % of orders are arranged during a personal meeting. The other half of the orders is arranged by phone or by social networks. The information about orders are filed in tabular form in Microsoft Excel, which is available online, and each employee has the option to immediately check orders, check for free dates and record individual items.

The next step is to perform the service itself, taking photos or shooting videos. Thanks to precisely specified needs of the customer, the employee should have a clear idea of how they will perform the job. The process of making videos and photos is complicated because of the emergence of many stressful situations because many moments can no longer be imitated and the employee must be constantly aware of this fact. Weather plays a big role in capturing photos and videos because light, humidity, and temperature are also factors that create some limitations that should be taken into account. Once the record is created, the process continues with post-production, where the customer's opinion is taken into account, but also the employee's creativity. The whole process ends by handing over the final work and invoicing for provided services. The selected company hands over the final product to customers only after receiving the entire agree sum or in certain cases proceeds according agreed terms. Overall workflow is a complex process.

## **6.7 Physical evidence**

This part of the marketing mix is also taken into account by the selected company. The culture of the selected company is not entirely determined, but many other tools are used in the company. Everything starts during communication with customers. Company employees try to use decent and formal Czech language to communicate with customers also spelling, and grammatical errors are not tolerated. Technical knowledge and skills vary from one employee to another. The selected company aims to unify the knowledge of individual employees gradually. Improving their overall knowledge of technology, graphics, design and control of individual software programs are important in post-production. The company does not have a designated dress code, but certain conditions must be met by employees,

depending on the type of service provided. Therefore, if an employee attends ceremonial events such as weddings, funerals, celebrations or parties, employees should be appropriately dressed. If customers are asking for a service, they will receive documents describing how the potential order will be processed. These documents also describe in detail the service and description of each package. The photo studio is equipped with all the necessary photographic and cinematic technology. Unfortunately, there is no place in the photo studio where negotiations with customers can take place. The selected company transmits photos and videos via Internet or by personal copying to certain digital media type. Unfortunately, this type of handover of the final product is not entirely professional.

### **Summary**

This chapter was about analysing the current marketing mix of services of a selected company. The individual services are clearly arranged and divided into packages according to what is included in the package and price level. Pricing is based mainly on prices of competitors and they are determined at low level. The company's photo studio is close to the centre of the city, for this reason, the nearby car park is full most of the day. The selected company uses paid promotion minimally. Website, Facebook and Instagram are used for mentioned unpaid promotion by the selected company. For the company, the most important social network is Facebook, this social network brings the largest number of orders. In promotion, the selected company has some gaps that can be resolved at relatively low cost by Facebook, Instagram or their website. It is necessary to ensure that the company gets to awareness of closest surrounding and after entering keywords like "Zlín photographer", "Zlín photo studio" or "photography and video Zlín" were the websites of the selected company in the first places in search engines such as google.com or seznam.cz. The selected company has only three employees who have a great deal of freedom during processing inquiries and working on orders. The selected company does not have an exact determination of where the work process should take place, as well as does not have determined a coherent company culture concept.

## **7 SELECTED MARKETING ANALYSES AND ANSWERS FOR THE RESEARCH QUESTIONS**

This chapter contains selected marketing analyses that were chosen to analyse the current situation of the selected company. These analyses include PESTE analysis of the company's macro-environment, Porter's five competitive forces and benchmarking analysis, which belong to the mezzo-environment analyses. Within this chapter, the answers to the research questions are also presented.

### **7.1 Analysis of the mezzo-environment of the selected company - Porter's model of five competitive forces**

Analysing Five Porter Forces is an important point of its successful business. It needs to take into account the strength of the selected company customers and suppliers. It is equally important to have an overview of the surrounding competition and barriers to entry the market. At last but not least, it is necessary to pay attention to the substitutes.

#### **Bargaining power of customers**

Although the selected company operates on the market for only three years, it has managed to build a permanent clientele, customers who use the services offered repeatedly. These customers were mainly acquired through price penetration. The price level was set very low compared to the competition in the first two years. Over time, customers noticed high quality for a low cost and thus increased the demand for services. There are many competitors on the market, but the vast majority of them do not provide photography and cinematography services simultaneously. In this industry, customers can easily change service providers by taking advantage of the competition that provides photographic services as well as cinematographic services. In most cases, service contracts are not concluded. The only exception to the contract is a service that provides photographic or kinematic services on a wedding day. With the growing trend of photographic and cinematographic services, many new potential customers are on the market. Due to frequent competition errors, irresponsibility, poor quality and non-compliance, customers often look for other options and companies to meet their needs. Among the important customers of the selected company there are mainly middle and small companies and especially individuals who use the services for their private purposes.

**Bargaining power of suppliers**

Due to the specific industry and the size of the selected company, suppliers are not a key factor. There are opportunities to create competitive advantages for a selected company. The company uses several foreign suppliers for photographic and cinematographic equipment, making use of lower prices to the detriment of goods warranties. However, these orders are negligible for these foreign suppliers, and it is not possible to talk about price reductions due to loyalty or a purchase of great product quantity. Other vendors of the selected company are providers of printing services and graphics providers. The vast majority of these companies are small, and therefore there is a possibility to make an agreement for volume discounts and other benefits. Changing suppliers should not significantly affect operations of the selected company. In a view of a large number of suppliers on the market, it is necessary to review other alternatives constantly. It is important for the selected company to have proven quality of vendors who provide printing services.

**Competitive rivalry**

In the Zlín region, there is a large number of competitors offering photographic and cinematographic services. Given a large number of competitors, it is difficult to determine which competitors directly affect the selected company. Individual competitors are divided into two main groups. The first group offers photographic and cinematographic services and the second group offers photographic services only. In the bachelor thesis, individual competitors were systematically labelled with letters A to E. All information about competitors was obtained from their websites and by communication with individual competitors.

In the first group, there is only competitor C, which offers both photographic and cinematographic services. Competitors A, B, D, E, offer only photo services. Their overall range of services is not as extensive as competitor C. These competitors differ mainly in quality and price of offered services. Quality of work equipment is high, and there are no major differences among competitor. Competitor D is the most interesting of all introduced competitors. This competitor focuses mainly on weddings, maternity photography and new born photography. These services belong rightly to the best of all selected competitors. This competitor is very good at using social media marketing and owns top-quality web sites. Communication was fast and the information received was detailed and appropriate.

#### Competitor A

This competitor is located in the regional town of Zlín. He specialises in photographing people, both indoors and outdoors, but also offers portraits, maternity photography, children's photography and sports photography. This competitor uses the website in combination with Facebook for promotion. On Facebook, this competitor has about 1,500 followers and many reviews. This competitor has been active in business since 2010. In 2014, this competitor put into operation a photo studio in Zlín city. This competitor uses professional Fuji equipment.

#### Competitor B

Another competitor is also located in town Zlín. This competitor has been on the market for 22 years. The services are offered in the vicinity of the whole Zlín Region, especially in Vsetín, Bystřice pod Hostynem, Holešov or Uherské Hradiště. For the promotion only website is used mainly because of any social networks are not used by this competitor. This competitor focuses on wedding photography, but also offers product photography, school and kindergarten photography and children's photography. Customer reviews are available on the website, as well as a service price list and detailed information about the types of provided services. This competitor uses Nikon professional photographic equipment.

#### Competitor C

The third competitor is located in Holešov. This competitor has a very extensive range of video-services and has been on the market since 2016. The competitor provides services such as portrait photography, wedding photography and new born photography. Individual offers are offered in packages that have clear specifications and a predetermined price. All necessary information is available on the website and communication channel is the social network Facebook, where this competitor has about 800 followers. Customer reviews are published on Facebook. A price list, a comprehensive gallery of photos, and much more including a blog can be found on their website. This competitor uses Canon professional equipment.

#### Competitor D

This competitor is one of the best in the industry. The company is headquartered in Zlín. In Zlín there is also their photo studio located, which is mainly used to take pictures of new born children. On the website, there is a lot of information about offered services such as wedding photography, couple photography, maternity photography and an offer of print services on photographic canvas, wood substrate and a photo paper. Most service prices are posted on the website. On the website, there is a comprehensive photo gallery with quality content. More information and photos are available on social networks like Facebook and Instagram. This competitor uses Canon professional equipment.

#### Competitor E

The last selected competitor focuses on customers in the area of Holešov, Bystřice pod Hostýnem, Vsetín, Valašské Meziříčí and its surroundings. The offered services have the largest photography range of all competitors, such as maternity photography, paired photography, taking photos of nudes, product photography, boudoir and glamour photography and child photography. All these services can be provided in the interior or exterior. The competitor's website contains a comprehensive gallery with photos of each service. As a social network, this competitor uses Facebook, where there is a very large photo gallery. This competitor uses Canon professional equipment.

#### **Threat of new entrants**

Entering the photographic and cinematographic market is quite simple. There are no large entry barriers. Establishing a Trade Certificate or a company is not an expensive matter. Thanks to technological advances, equipment is cheap and of high quality. There is plenty of information about how to take photos and shoot videos correctly, and this information is easily accessible via Internet. There are many free instructional videos on the Internet, but there are also paid courses and workshops offered by more experienced photographers and cameramen. Purchasing of equipment can be considered as one barrier to market entry. Basic equipment that meets fewer demanding requirements can be purchased from 50,000 to 100,000 CZK. For professional users, there are devices that meet all the requirements and these devices can be purchased from 100,000 to 250,000 CZK. In Zlín region, the competition is relatively high, but the market offers opportunities for new competitors. The threat of a new company entering the industry is high due to the diversity of new trends and potential market penetration of new competitors.



### **Threat of substitutes**

The emergence of substitutes is a frequently discussed topic in this sector. It is unlikely that demand for these services will disappear over time. The current trend shows that these services are often used, but thanks to technology, cameras are becoming affordable and hence more and more common users have a high-quality technique that they can take photos and shoot videos without use of professionals. In the future, it will be found out if providers of these services can distinguish themselves from ordinary camera users, smartphones, and whether their added value will be so high quality that they can satisfy customers. Given the above, it is unlikely that a substitute would appear on the market to become a threat to the selected company at least in the near future.

### **Summary**

Concluded from the above-mentioned information the bargaining power of customers is moderate thanks to a wide range of services, other offers may not be cost-effective and qualitatively matched to customer's needs. The bargaining power of suppliers is low and does not cause a high risk to the selected company because there are a lot of print service providers on the market that can be used in case of dissatisfaction with current suppliers. The threat of entry of new competitors is relatively high. On this type of market, there are not many legislative or financial barriers for new market entrants. Threatening for the selected company by substitution is less likely at least in the five following years.

## **7.2 Analysis of the mezzo-environment of a selected company -**

### **Benchmarking of the selected company**

In order to perform a benchmarking analysis of the selected company, it was necessary to identify and describe the company's closest competitors. These competitors are described above. They were chosen according to the services offered and the place where they offer services. The following analysis will be based on this information. In order to create a benchmarking analysis, it is necessary to choose the criteria that are then assigned the weights. The evaluation of individual criteria was performed on a numerical scale from 1 to 10, with the number 10 giving the best rating. Proposed criteria are used to compare the marketing mix of services.

1. the range of offered services and published portfolio
2. the overall photo quality

3. the price of the wedding photography of the basic package, which contains a comparable amount of provided services
4. the overall image of the company
5. website clarity, intuitiveness and informativeness rate
6. the use of social medias in terms of promotion
7. positiveness of customer reviews and their number

Criteria	Weight	S.C.	A	B	C	D	E
1	0,15	6	7	5	6	9	8
		0,90	1,05	0,75	0,90	1,35	1,20
2	0,10	6	6	5	4	9	5
		0,60	0,60	0,50	0,40	0,90	0,50
3	0,25	10	2	10	4	1	4
		2,50	0,50	2,50	1,00	0,25	1,00
4	0,05	7	7	6	6	9	6
		0,35	0,35	0,30	0,30	0,45	0,30
5	0,20	6	5	6	5	9	3
		1,20	1	1,20	1,00	1,80	0,60
6	0,10	5	5	2	9	9	7
		0,50	0,50	0,20	0,90	0,90	0,70
7	0,15	4	8	4	4	8	8
		0,60	1,60	0,60	0,60	1,60	1,60
Overall	1,00	6,65	5,60	6,05	5,10	7,25	5,90

Table 2. Benchmarking analysis of the selected company (Source: own processing)

### The evaluation of benchmarking of selected company

Benchmarking has shown that the selected company is performing well compared to its competitors. From the Table 3. Benchmarking analysis of the selected company that shows benchmarking results, it can be seen that the selected company has a price level set low compared to its competitors. Website clarity is average, but there is an insufficient number of reviews from its customers. The selected company should improve the usage of social networks, where it is lagging in the number of followers. Competitor E is the best in most of the criteria listed, but the final mark is greatly influenced by the price of their offered services. Competitors B and C and their evaluation is close to the selected company. With regard to the price and quality of offered services, the selected company performs best of all evaluated competitors.

### **7.3 Macro-environment analysis of the selected company - PESTE analysis**

External influences affect the functioning of the selected company. PESTE analysis will be used to analyse the external environment. In the individual sub-chapters political and legal factors, economic factor, social-cultural factors, technological factors and ecological factors will be described. The overall PESTE analysis will focus on territory of the Czech Republic.

#### **7.3.1 Politic and legal**

In the area of providing photographic and cinematographic services, it is necessary to take into account the legal and legislative constraints found in this sector. These restrictions relate to the GDPR of the whole European Union, given that the company owns photographs and video records of individual customers. The Company is also affected by the Business Corporations Act 90/2012 and must also pay attention to legislation under the Labor Code 262/2006.

#### **7.3.2 Economical**

The Czech Republic is in a very good condition from an economic point of view. The Czech Republic's GDP grew by 2.9 % year-on-year. People feel it and thanks to this they seek complementary services that help them to increase their standard of living. In the third quarter of 2018, the unemployment rate was at a record low of 2.3 % and fell by 0.2 % year on year. The average annual inflation in the Czech Republic was 2.1% for 2018. This value falls within the range determined by the Czech National Bank. The minimum wage in the Czech Republic is rising, and its level is 79.80 CZK per hour, which is 13,350 CZK per month. The last economic indicator is the size of the average wage, which in the third quarter of 2018 was 31,225 CZK (Český statistický úřad 2018).

#### **7.3.3 Socio-cultural**

One of the important social factors is the composition of the population within the Czech Republic. According to information published by the Czech Statistical Office in 2017, 508,329 foreigners of all different nationalities such as Slovaks, Germans, Ukrainians and Poles live in the Czech Republic (Český statistický úřad 2017). As it is known, the Czech population is ageing, and the average age is increasing (i60 2013). However, this fact has no greater influence on the functioning of the selected company because people are now asking for making photos and videos of all different life situations such as golden weddings or funerals. Conversely, birth rates and marriages have increased in the Czech Republic over

the past three years. This can have a positive effect on the functioning of the selected company (Český statistický úřad 2018).

#### **7.3.4 Technological**

Today's time is very advanced, and especially technology is developing at fast pace. The technologies are being improved by using new types of materials, more accurate and more precise manufacturing processes. The photographic and cinematographic sector is no exception, and new trends appear on the market every year. Firms that produce photographic and cinematographic technology are striving to push image quality and, most importantly, software enhancements forward, making it possible to achieve better quality photos and videos. For these reasons, the company is constantly monitoring the market and evaluates when to potentially make changes.

#### **7.3.5 Ecological**

Given the industry in which selected company works, ecology is not affected. It is important to consider how to recycle equipment such as cameras, lenses and external flashes, but due to very long lifespan, this equipment is sold to other entities or individuals. For the post-production is used computing technology with printers and for following print of the special photo papers, and cartridges are used, which are, in most cases recyclable and do not cause any hazardous waste.

#### **Summary**

The selected company is influenced especially by economic, technological and socio-cultural factors. The emergence of new technologies, economic cycles, crises and increasing birth rates can affect the functioning of the selected company. Environmental and legislative factors have an insignificant impact on society.

### **7.4 Answering of the research questions**

The following subchapter deals with answering research questions. These questions were formulated through the elaborated theoretical part of this bachelor thesis.

- *Research question number 1: Does the selected company have a wide range of the offered services?*

Based on the analyses it can be stated that the selected company has an average range of offered services. In comparison with the competition, the advantage of the selected company

is that they offer cinematographic and photographic services, but on the other hand the other individual offered services of these two groups are no longer as extensive.

- *Research question number 2: Does the selected company use social networks for its promotion?*

In conformity with the analysis, it can be mentioned that the selected company uses social networks for its promotion frequently. With the help of internal materials, it was detected that for the selected company social networks are main promotion such as communication channels Instagram or Facebook.

- *Research question number 3: Does the selected company use modern equipment?*

According to research and analysis undertaken it can be argued that the selected company works with insufficient equipment because they use one type of camera for photography and one type of camera for video making. Due to the quick technical development, it is possible to use one camera for providing photographic and also for cinematographic services.

## 8 SWOT ANALYSIS OF SELECTED COMPANY

The SWOT analysis is based on the performed analyses, and all results are presented in the Table 3. SWOT analysis. The selected company places great emphasis on employee training and, thanks to market knowledge, they can consciously determine what kind of training with regard to the service portfolio provided will be beneficial for employees. The company relies on several short-term goals, but the long-term strategy is not unambiguously determined. Small investments into new technologies and company promotion are part of the company's weaknesses. As a result, the selected company is not well known among the people.

Strengths	Weaknesses
employee training	company culture
a wide range of services	inconsistent internal work processes
market knowledge	non-defined long-term strategy
appropriate photo studio location	insufficient promotion
experienced employees	outdated technical devices
satisfied employees	brand ignorance
Opportunities	Threats
Zlín becomes a more prestigious city	unfavourable economic situation
the improving the economic situation in the Czech Republic	threat of entry of new competitors
increased birth rates	increase of photo studio rent
Seasonality	emergence of new technologies

*Table 4. SWOT analysis (Source: own processing)*

According to PESTE analysis, the company can be influenced especially by economic and technological factors. If the economy's overall condition slows down, it will have a negative impact on providers of photographic and cinematographic services. The attention needs to be paid to the rapid development of new technologies. While increasing demand for services can be caused by good economic situation, such as increasing birth rates and marriages. The city Zlín is constantly working on its development and thanks to the increasing prestige it is a popular destination for living. This fact may be an opportunity for the selected company.

## 9 PROPOSALS AND RECOMMENDATIONS

In this chapter, the proposals and recommendations for improving the marketing mix of the selected company will be written individually. These suggestions for recommendations are based on the conducted marketing analyses. The chosen company is well established and stable in its field. The offered services of the company are of good quality but can be even more professional. Because of the reasons above, in the recommendations for improvement, I would like to focus on improving technical equipment, promoting, setting a long-term strategy and company culture of the selected company.

### 9.1 Technical equipment of the selected company

Technical equipment of the selected company was described in chapter 4.1 Basic information about the company. After careful examination and consultation with the employees of the selected company, it was found that in order to simplify the internal processes and improve the quality of the services offered, and to further strengthen its competitiveness, it will be necessary to change the technical equipment. Specifically, it is the purchase of new cameras. Cameras that are used at the moment are compatible with Sigma, Canon and Tamron lenses. These lenses are also functional on non-Canon cameras with using of special adapters, which are essential for buying new cameras.

I suggest buying Sony A7R III cameras. Buying new cameras would unify working conditions for all employees, but most importantly, these cameras could be used to provide both photographic services and cinematographic services. By selling old cameras, much of the investment would be covered. Special Sigma-Mc11 adapters all need to be purchased in order to keep the old lenses. These adapters will ensure smooth operation with the new cameras. It should be noted that all other things like memory cards and external flashes, tripods and computing and software programs do not need to be changed because they remain compatible.

- 3x camera Sony A7RIII, one-piece costs 70,000 CZK.
- 3x reduction Sigma Mc-11 one-piece costs 6,000 CZK.

As a result, the company would invest 228,000 CZK into new adapters and cameras that could be used with old lenses. Old cameras would be sold at a total value of 116,000 CZK. The total cost of this innovation would cost the selected company 112,000 CZK.

## 9.2 Promotion of the selected company

According to the analysis of the marketing mix of services of the selected company, it was found that the investments in promotion are minimal. The company focuses especially on free advertising options that do not require any cost. Facebook advertising targeted to selected customer segments is inexpensive and can be very effective. The selected company can use a portfolio that has been created by taking photos of the corporate and private sectors as product photos, indoor photos, weddings and portraits for promotion. Therefore, I propose to use promotion via Facebook with targeting on customers in Zlín region. Promotion of one post would cost 28.50 CZK per day. The number of people approached would be between 500 and 1,600 per day. If the paid promotion was created every week with different content, targeting a particular segment of customers as needed, the total annual investment in promotion through the Facebook social network would be 10,403 CZK under today's terms and conditions. The total number of people approached would be between 182,500 and 584,000 people. Considering that in the present the social network Facebook is the most frequent source of orders. I consider the mentioned recommendation as a suitable solution.

## 9.3 Determining the long-term strategy of the selected company

Due to the fact that the company does not have a long-term strategy, I propose the following solutions, which will lead to the creation of a premium product. The company's current goal is a satisfied and returning customer. This goal can still be used, but it is necessary that the selected company be able to offer the customers more than the competitors. The premium product will be created with the following variables.

- The goal is to build a strong brand that will be a strong company indicator.
- Buying new cameras will improve the quality of the records and photos and simplify the company's internal processes.
- The selected company should focus on more affluent customers who expect more sophisticated services.
- It is possible to create a premium product with some tools, but it should be noted that it depends on the types of customers. The customer receives the data on a flash drive in a wooden box when handing over the finished order. On the flash drive and the box, there will be a logo, contact information about the provider and acknowledgement for using the services of the customer. Services that are important to the customer in some way such as weddings or birth of a child, the customer receives a hand-written story where the most interesting situations which happened



will be mentioned. The last step in handing over ordered photos or clips is to offer improved conditions in case of subsequent collaboration.

#### **9.4 Company culture of the selected company**

As mentioned above, the selected company does not have set points of corporate culture. In modern marketing a great emphasis is placed on company culture. Both employees and customers perceive a certain personality that is characteristic to the selected company. I suggest these specific steps that will help to acquire and establish certain face of the selected company and increase awareness in head of potential and loyal customers.

- All employees should use an appointed type of customer communication. In written communication, employees should avoid using emoticons. In all cases of written communication, employees should use a formal language style. Emails should have a clear structure; no grammatical errors and the end of the email should contain signature. Customer responses should be sent or answered within 48 hours of receiving an email or call.
- In a view of frequent work outside the photo studio, I suggest that employees use uniform clothes with the logo of the company. I suggest purchasing two kinds of clothing for each employee. The first type will be a corporate suit with the company logo. The price of corporate suit is 8,000 CZK. The second type of corporate clothing set would be a t-shirt, sweater with company logo and trousers. This set of corporate clothing would cost 3,000 CZK. The total price of corporate clothing would be 33,000 CZK
- Furthermore, I propose to modify the spaces of the photo studio, to be consistent with the company's branding. In the photo studio, the graphic design and another facility would be modified for the place where contracts would be negotiated. To create such a room, it is necessary to buy a couch worth 8,000 CZK, two armchairs worth 4,000 CZK for both and a table worth 1,500 CZK. Every customer should receive a small snack while visiting a photo studio. Cleanness, a pleasant smell and a suitable temperature should be provided at the photo studio.

It follows from the preceding that proposals and recommendations to improve the company culture will require some investment. The total price related to improving the culture will be cost 46,500 CZK. This investment is considered less demanding and suitable due to the profitability of the selected company and the positive economic situation on the market.

## CONCLUSION

In the marketing mix there are described steps which the company can take to achieve the company's goals. These steps can lead either to increase of demand for the company services. The environment of cinematographic and photographic services is a fast-changing environment where the trends and technical innovations must be continuously monitored.

The bachelor thesis was focused on the analysis of the marketing mix of the selected company and was divided into the theoretical and practical part. In the theoretical part, literature research was processed from the field of the marketing mix and subsequently selected marketing analyses. In the practical part of the thesis, the selected company was first introduced by the McKinsey 7S method, which is focused on the analysis of the company's internal environment. The bachelor thesis continued with STP analysis. Segmentation, targeting, positioning and its current situation of the selected company were described with the help of STP analysis. Following the micro-environment analysis the mezzo-environment and macro-environment analysis was done. The Porter's five forces and the Benchmarking analysis were chosen for the mezzo-environment analysis. The last analysis was PESTE analysis, which is a part of macro-environment analysis.

The individual analyses were summarised, and their results were introduced in SWOT analysis. The essential phenomena were described in detail and based on SWOT situation analysis proposals and recommendations for the selected company were set. The proposals and recommendations which were designed are based on logical deliberation with a regard to the real situation of the selected company. The first and one of the most important needs is the purchase of better equipment specifically purchase of the new cameras that can be used for cinematography and also photographic services. The other proposals are paid promotion of selected company on social network Facebook, establishing a firm company structure, establishing a long-term strategy. The total cost of these suggestions and recommendations would be 168,903 CZK.

I believe that this bachelor thesis is beneficial in the view of the fact that no other marketing mix of services has been made for the selected company yet. The recommendations that have been set are financially quantifiable and should be practicable in practice. With recommendations and suggestions for improvements, the selected company should achieve a better quality of service and, overall, achieve better branding and thus remain in the customer's mind and subsequently to strengthen its competitiveness on market.

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**LIST OF ABBREVIATIONS**

A	defining the type of competitor
B	defining the type of competitor
C	defining the type of competitor
D	defining the type of competitor
E	defining the type of competitor
PESTE	Political-legal, Economic, Socio-Cultural, Technological, Environmental
PESTLE	Political, Economic, Social, Technological, Environmental, Legal
PEST	Political, Economic, Socio-cultural, Technological
STEER	Socio-political, Technological, Economic, Ecological, Regulatory
STP	Segmentation, Targeting Positioning
SWOT	Strengths, Weaknesses, Opportunities, Threats
CZK	Czech Crown
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
USA	United States of America
SMM	Social Media Marketing
S.C.	selected company

**LIST OF PICTURES**

<i>Picture 1. Marketing mix 7 Ps (Source: Dibb et al. 2017, 624) .....</i>	<i>18</i>
<i>Picture 2. McKinsey 7S tools (Source: Managementmania 2015) .....</i>	<i>22</i>
<i>Picture 3. Types of market targeting (Source: Armstrong, Kotler and Opresnik 2017, 207) .....</i>	<i>23</i>

**LIST OF TABLES**

<i>Table 1. Comparison of marketing mix 4PS and 4CS (Source: own processing) .....</i>	<i>17</i>
<i>Table 2. Benchmarking analysis of the selected company (Source: own processing)</i>	<i>50</i>
<i>Table 3. SWOT analysis (Source: own processing).....</i>	<i>54</i>

## LIST OF APPENDICES

*Appendix I. Price list (Source: own processing)* **Chyba! Záložka není definována.**4



## APPENDIX I. PRICE LIST

**Photographic services:** prices are in Czech crowns

Type of service/package	Basic	Standard	Premium
External portrait photography	1,000	1,500	2,500
Wedding photography	8,000	12,000	20,000
Product photography	1,500	3,000	10,000
Studio photography	1,000	1,500	2,500
Cultural and corporate events	1,200	2,000	5,000

- The cost of external shooting is based on the type of shooting and subsequent complementary services such as photo printing.
- The cost of wedding packages are based on time spent at work and the number of photographers.
- The cost of product photography is based on time spent at work and the complexity of the demand.
- The cost of studio photography is based on the type of shooting and subsequent supplementary services such as photo printing.
- The cost of cultural and corporate events photography is based on time spent at work type of social event.

**Cinematographic services:** prices are in Czech crowns

Type of service/package	Basic	Standard	Premium
Wedding video clip	8,000	16,000	21,000
Music video clip	5,000	10,000	25,000
Product video clip	3,000	8,000	15,000
Propagation video clip	5,000	15,000	30,000

- The cost of the wedding video clip is based on time spent at work and the number of cameramen.
- The cost of the music video clip is based on time spent at work and the number of cameramen.
- The cost of the product video clip is based on time spent at work.
- The cost of the propagation video clip is based on time spent at work.