The Analysis and Improvement of the Marketing Communications Mix of Sadlon Technologies s.r.o.

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ABSTRAKT

Cílem bakalářské práce je zvýšení efektivnosti marketingového komunikačního mixu společnosti Sadlon Technologies, s.r.o. Stará Turá. Práce je rozdělena na teoretickou a praktickou část. V první části práce jsou vysvětleny teoretické poznatky z odborné literatury a východiska týkající se marketingového mixu a komunikace zaměřené zejména na business-to-business marketing a průmyslové odvětví. Druhá, praktická část, je zaměřena na analýzu marketingového mixu s hlavním důrazem kladeným na využívání marketingové komunikace firmy. V závěru jsou na základě výsledků PESTLE a SWOT analýzy navrženy doporučení a návrhy vedoucí ke zvýšení efektivnosti marketingové komunikace této společnosti.

Klíčová slova: marketingový mix, marketingová komunikace, business-to-business, PESTLE analýza, SWOT analýza

ABSTRACT

The goal of this work is to increase the efficiency of marketing communications mix of the company Sadlon Technologies, s.r.o. Stará Turá. The work is divided into theoretical and practical part. The first part contains theoretical facts based on literature and the issues related to the marketing mix and communication, focusing mainly on Business-to-business marketing and the industry field. The second, practical part focuses on the analysis of marketing mix with the emphasis on the means of marketing communications used by the company. With the use of the results of PESTLE and SWOT analysis, the end of the work contains recommendations and suggestions which could enhance the effectiveness of marketing communications of the company.

Keywords: marketing mix, marketing communication, business-to-business, PESTLE Analysis, SWOT Analysis
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INTRODUCTION

The situation seems difficult. On the one hand, businessmen understand the fact that it is not enough to do business well if the customers are not aware of it. On the other hand, people are bombarded by various offerings and advertisements which push them to buy something they do not need. At the same time, the things the customers really need stay unseen. The result can be dissatisfaction of both sides – despair of businessmen and glumness of people. In fact, the potential key to the success can be within a striking distance – communication.

An effective communication and research uncovers people’s real needs and wants. This age has brought numerous means of communication with the target audience. The problem is to reach them all in the same place. Due to the fact that people want to be constantly informed, marketers have to analyse the most suitable mix of communication channels which provide the right information to the right people. Naturally, the process might seem infinite for the company which decides to start this trial-and-error cycle. But still, the company is one step forward in comparison to those which decided to wait for the customers to come themselves.

Sadlon Technologies, s.r.o. is a company which understands the importance of marketing communication. However, the fact that the owner of the company, Ján Sadloň, is basically the only person who is responsible for the promotion, it is time - and energy - demanding for him to keep the business running and to find and manage all the suitable means of promotion at the same time. The main aim of this bachelor thesis is to analyze the current marketing communications mix of this company with the use of Benchmarking, SWOT and PESTLE Analyses; and find some innovations which could be implemented. Finally, it should give this relatively small business the potential to get better results from its marketing communication strategy.
I. THEORY
1 MARKETING

1.1 Origins of Marketing

The origins of marketing root in ancient times, but the notion of marketing occurred for the first time in 19th and 20th century. This period was full of social changes, emerging needs and wants of people and technological development. Those factors changed the world and marketing is one of the results of this formation. (Bartels 1976)

Slogans of producers dominated until the invention of printing, due to illiteracy of majority of population. The main aim was to sell the product. Thanks to the printing, marketing got into another dimension. Written advertisements began to appear at the end of newspapers and this trend brought also orientation to customer´s needs and wants and sales. (Pavlečka 2008)

Today´s marketing arose as a result of industrial revolution. The boom of mass media opened new ways of satisfying the market. At the beginning of the 20th century, the demand was bigger than the offer and there was no need for promotion. However, as the market began to be saturated, competition rose and the communication with the customer became essential. The most famous names from this period are Henry Ford and Tomáš Baťa, whose methods are inspiration also for the entrepreneurs of 21th century. (Pavlečka 2008)

After the World War II., marketing became purely customer-oriented, which brought higher sales. Customers were informed about the news which provided those emerged kinds of media. (Pavlečka 2008)

1.2 The Concept of Marketing

Marketing is an activity, which combines planning, pricing, promotion and distribution. Important part of this combination is to find out the relationship between the utility which the product or service gives to the customer and the price, which is the customer willing to pay for it. The final mix of these elements should ensure the exchange between the company and customer. (Kotler 2002)

Main aim of marketing is to identify the need and wants of the customer and satisfy them in a better way than the competition. Company has to fulfil its objectives together with the satisfaction of the customer. (Kozák and Staňková 2008) Before thinking about any marketing strategy, company has to take into consideration some key questions:
• What is the target market?
• What are the needs and wants of the target markets?
• Which product or service will meet the requirements of those markets?
• What marketing program or strategy can reach and satisfy the target audience? (Halvadar 2005)

Marketing tries to identify and anticipate, how the market participants in the market behave, how they collect the information, and under what conditions they gain, offer and buy goods or services. (Kotler 2002)

Marketing strategy is substantial tool for making the relationship with the potential and current customers. Marketing is no longer only about the offered product, but rather about the additional benefits and service which the customer gets with it. This should be connected with achieving organisational goals and objectives. During the creating marketing strategy is important to realize that it is people-driven and constantly changing. The product or service which the customer needs today may become useless by tomorrow. Changes in strategy apply for the whole company, so it has strong connection with its policy. (Ferrell and Hartline 2007)

1.2.1 Functions of Marketing

As stated above, the functions of marketing are working on satisfying the needs of customers and showing that the company does its best in every moment. Moreover, company should act ethically and have moral criterions. The product or service should constantly improve and develop, to gain the long-term utility. (Burger-Helmchen 2012)

Companies should perform all the activities to achieve the offering right product, to the right customer, at the right time on the right place, for the right price and with the use of suitable propagation. (Kotler 2002)
1.2.2 Types of Marketing

1.2.2.1 B2B – Business-to-Business. This term marks the type of marketing in which both members (buyer and seller) are companies. The buyer does not have to be the final customer of the product, because the product can be essential part for producing another product. Main factor during the deciding whether to buy the product or not is provided information and quality of the product itself. (Kotler 2002)

1.2.2.2 B2C – Business-to-Customer. It is the typical type of marketing where the seller is company and the buyer is the final customer. The final customer buys the product because of the benefits which the product brings. (Kotler 2002)

1.3 Marketing mix

“The marketing mix is a collection of thousands of micro-elements clustered together in order to simplify managerial activity.” (Dominici 2009) It consists of 4 main parts (4Ps):

- product
- place
- price
- promotion

Marketers customize them to achieve the biggest market satisfaction as possible and to meet company’s marketing objectives. Every “P” consists of more sub-elements, which help to define and create the marketing strategy in more accurate way. (Dominici 2009)

1.3.1 Product

Product is the index which shows how good the company understands the needs of the particular market. “The key characteristic distinguishing business products from consumer products is intended use, not physical form.” (Lamb et. al. 2013) It is important to offer the product, which the customers demand and do not try to make the customers want what the company offers. (Foret 2006) Producer should take into consideration and then emphasize, what is special about his product and which benefits the product provides.

Product can be classified into three levels:
• core product – the main, intended benefit of the product
• real product – the quality of the product, design, style, various forms in which it can be produced, and its cover
• extended product – additional benefits (service, warranty, possibility of buying on credit, product installation and instruction) (Kotler and Armstrong 2005)

1.3.2 Price

From the point of view of the company, price is the way how to cover the costs needed for the production. It is important to set the right price, because it is the main source of the income. (Kita 2002)

At the other hand, customer sees the price as the amount of money which he has to invest therefore it is the loss of his financial resources. Price is important factor in many purchase decisions. Customer has to consider the price and benefits which the product provides. (Kita 2002)

Setting the price is influenced by internal factors (marketing goals of the company, the strategy of marketing mix, costs) and external factors (market sector, demand, competition). However, this classification is not so strict. There are also another influential factors, for example the conditions of labour market. (Kita 2002)

1.3.3 Place

Producing a physical product demands decisions about the places where it will be sold. The way how the product gets to the customer is another essential decision. The producer can choose whether he wants to distribute his product via wholesaler or retailer.

Distribution channels – the way how the products get to the customer.

Supply chains – these chains are important in production process and later on delivering the value to final customer. It develops from good relationships between the companies and the functional areas, in which they exist. Those various companies cooperate, and together they make a system, which “perform tasks as a single, unified system rather than as several individual companies or business units acting in isolation.” The supply chain of one company can be the distribution channel of another. (Lamb et. al. 2013)
1.3.4 Promotion

Promotion mix, which is called also marketing communications mix (Kotler and Armstrong 2013), is basically the way, which company uses for communication with its clients and customers. It is important to find the target audience and then it gains the power to influence the thoughts and opinions. Some specialists claim, that communication is the main point of whole success and promotion is the essential part of marketing mix. According to their opinion, advertising should be the most important marketing activity. On the other hand, another business people are confident about the fact that the propagation and advertising activities are too expensive and that it is just a wasting of money. (Kender 2005)

Promotion mix usually consists of:

- **Advertising** – promotion of goods, services and ideas by any non-personal presentation, which is paid by sponsor. Examples: print, broadcast, Internet
- **Sales promotion** – functions to encourage the product or service purchase.
  Examples: discounts, coupons, demonstrations
- **Personal selling** – company’s personal presentation to create relationship with customers. Examples: presentations, trade shows
- **Public relations** – goal is to gain positive publicity, to build good corporate public image, and handle all the negative rumours or stories. Examples: press release, web pages, sponsorships
- **Direct marketing** – it is the communication with particular group of customers and making the quality relationship with them. Examples: catalogues, kiosks, mobile marketing. (Kotler and Armstrong 2013)

On the contrary to the past, promotion became much more different due to the age of new technologies. These changes brought also new communication techniques and companies have to invest more into television commercials, magazines, and Internet. (Kotler and Armstrong 2013)

The new marketing communications model takes into consideration that customers are different, “better informed and more communications empowered.” (Kotler and Armstrong 2013) This is caused by the existence of Internet, where they can find more information than the company itself published. Moreover, there are reviews from people who already have some experience. As mentioned above, new digital age brought technologies, in
which people can communicate with each other. Dominance of television and printed magazines is important, but declining. Under these circumstances is necessary to identify smaller segments of customers and create more personal and interactive messages. (Kotler and Armstrong 2013)
2 BUSINESS-TO-BUSINESS MARKETING

Business-to-Business marketing is the case where both parts/subjects of a business action (seller and buyer) are firms, organizations or institutions. (Lamb et. al. 2013) “It is the marketing of products and services where manufacturing companies, government undertakings, private sector organisations educational institutions, hospitals, distributors and dealers take part.” (Halvadar 2005) Those participants buy products and services for producing another product or service and making profit from them for their company. (Halvadar 2005)

Industrial marketing is closely connected with the overall situation in the market and the participants have to be aware of the market segment in which the company performs, find the product or service suitable for this segment and know the conditions in which perform their competitors. Important is also the ability to be flexible and react fast when the conditions of the market segment suddenly change.

2.1 Typical Features

Industrial marketing is oriented to industrial market which is in many ways different from consumer market. For this kind of marketing are typical those characteristics:

- **Fewer customers** – The number of customers is lower than in consumer market, due to the number of target customers is limited. In many cases it can be connected with the geographical location of companies. However, those customers are usually companies which buy large amount of products; they are familiar with various purchasing methods. Long-term and stable relationships demand fulfilling and keeping the conditions which both parts approved. To make the profit the seller needs to sell large amount of company’s product. This can cause that the seller prefer customers making larger orders.(Hut and Speh 2013)

- **Demographic factors** – Target customers should be divided into demographic groups, with its own demographic profile. In business market, this profile could contain the “industry, location, size of firm, quality, technology, and price preferences and other factors which are specific to given industry.” (12)

- **Relationship with the customers** – Business relationships are inter-organizational and long-term, returning customers are highly valued. In spite of the fact that the supply chain is relatively fixed, the relationships become interpersonal and stable.
“Business customers expect their problems to be solved when they need them solved.” (Gillin and Schwartzman 2010)

- Buyer behaviour and customized product features – Long-term customers are:
  - experienced,
  - well-informed about the product or service,
  - make rational purchase decisions,
  - usually have the possibility to customize technical parameters or price of products,
  - examine the interconnection with the price and quality, availability and delivery on time is essential when choosing the supplier. (Lamb et. al. 2013)

2.2 Marketing mix in business marketing

Marketing mix in business marketing has to be modified, as the environment in which the companies exists, products which they offer and customers are different. Objectives of marketing communications mix consists of sales volume, market share, profits, return on investment. In spite of the fact that they are set for the whole company, they are general.

2.2.1 Product

In this case, the products are industrial goods, for example components, instruments, equipment; expensive machinery, computers, buildings, or raw materials which the customers need for their production process or for resale. In the case of components and similar products is typical, that it has to be replaced several times within the period in which the final product works. (Lamb et. al. 2013) Companies in this sector produce fewer kinds of products. (Kurtz and Boone, 2006)

The product gains the attribute “business” according to the use of it, for example, when the cell phone is used in business, it is business product. (Lamb et. al. 2013) Equivalent terms are industrial marketing business marketing, institutional marketing.

Product positioning is how customers perceive the products in their minds. It includes “the quality, price, packaging, image and other factors.” (Clow and Baack 2014)

2.2.2 Price

However, in business market the behaviour of the buyer is different, despite the quality of the product is more crucial. Moreover, the buyer expects some level of quality and is
willing to pay more. On the other hand, the seller can cover the costs and make the profits. However, it is still the aspect which can differentiate one supplier from the others or make bigger advantage within the competition. It is known that in industrial market, the buyers are sensitive to changes in price. In those business relationships, it is common to negotiate the initial offer. (Halvadar 2005) Seller then has to consider the price limit under which he cannot fall.

2.2.3 Place

In business marketing mix, place is usually replaced by the notion “distribution.” Company has to decide where the product will be offered and how it gets there. Distribution channels and supply chains are the basic elements. In this environment are fewer middlemen and this makes the channels more direct.(Halvadar 2005) Main types of distribution channels in industrial marketing are:

- Manufacturer -> Company sales force -> distributor/dealer -> Customer
- Manufacturer -> Company sales force -> Customer
- Manufacturer -> Representative/agency -> Customer
- Manufacturer -> Customer

2.2.4 Promotion

In industrial market, companies spend limited expenditure budget for advertising. (Halvadar 2005) Nowadays the number of companies performing in the same field is so large, that promotion became one of the main aspects which can affect the customer. Companies should be able to design suitable communications plan.

2.3 Marketing communications mix in business marketing

Objectives of marketing communications mix are more specific. Some of them can be: developing brand awareness, change customer attitudes or beliefs, enhance purchase actions, encourage repeat purchases, enhance firm image, increase market share, increase sales and reinforce purchase decisions and differentiate the product from competition. Everything depends on the stage, in which the company and the buying process are. (Clow and Baack 2014)
2.3.1 Advertising

The main aim of advertising is to raise the awareness mainly thought entertainment and emotions. The fact which could weaken the power of advertising is that customer in business markets seeks rather for serious and concrete information about the product. Nevertheless to its functions belong also to inform and remind, thus the advertising has still its position in communications strategy mix and can be made in a creative way. Advertising can help to build strong and positive image of the product and to increase sales. (Kotler and Keller 2006) It can provide the information for company’s customers about the new offerings of its supplier, for example about the new machine and its functions. This could be the form how to touch the customers who are scattered in different geographical areas. (Kotler and Keller 2006))

One way how to create an advertising campaign is to outsource, which means to hire a specialized company, in this case to create the campaign. Essential is to consider the needs of the company and of the hired company as the agency’s account manager will have the responsibility and power to manage the relationship between the organizations. (Ellis 2010)

The achievement of the advertisement campaign is, that the target customers do not feel pushed to make an action or the purchase, they can see again and replay provided information and compare it with the competitors. (Kotler and Keller 2006)

2.3.2 Public Relations

Public relations are about creating and managing relationships with the public, which can help to emphasize the trustworthiness of the company. To this area belongs organizing various events, making a contact with the public throw the various types of media (newspapers, broadcast media or Internet) and others. (Ellis 2010) From the point of view of a company, the public can be divided into external and internal group.

- External public – the environment outside the company
- Internal public – working team inside the company

For each group are different public relations tools. The main aim is to create a positive image of the company and as mentioned above, the trustworthiness, whereas the customer prefers the product of the company which he trusts. (?)

In B2B market are more alternatives of PR:

- Press releases – the report which announces some changes in overall performance of the company, it can inform about development and improvement of the products
but it can be also some story, for example about the foundation of the company if it was unique or interesting. Releases should be sent regularly via e-mail, they can also be posted on a website or delivered in printed forms. (Ferrell and Hartline 2007)

- **Corporate websites** – the official source which can function as a way of PR communication. Journalists can find there information and inspiration for their articles about the company as it often contains product or service reviews from unbiased, non-paid people who already have some experience with it.

- **Crisis management plans** – company should be aware of the situations which could cause harm to the people, stakeholders or to the company itself and prepare the crisis management plans. This can show how the company deals with the potential threats but also with some actual serious problems and incidents. Company also shows how it uses “PR to manage stakeholders perceptions of how it handled the situation” (Ellis 2010)

- **Open days** – traditional way how to present the company and its practices

- **Sponsorship** – sponsorship of various events can help to create some positive associations and strengthen the public image of the company, for example “sponsored ‘clean ups’ of local rivers or parks can be designed to improve goodwill”(Ellis 2010)

### 2.3.3 Personal Selling

The main difference is that the communication runs face-to-face. This personal contact between the seller and the buyer is probably the most important form. Main purposes of personal selling are to gather the information about the competition, customer’s needs, and the market; make orders; create image of the company; provide information and service. The seller answers the questions, explains some technical issues and if the spokesperson is professional enough, he can build the relationship with the buyer who then gives the feedback or even makes an order. (Ellis 2010)

### 2.3.4 Sales Promotions

The core purposes of sales promotions are to provide some additional value to the customer, change his attitude towards the product and push the hesitant customers and mend the process of making the purchase decision. Discounts, free merchandise, gifts are
the main typical examples. The company can set concrete dates during which are the discounts actual, another option is to provide discount in the case of larger orders.

However, for the sellers are discounts profitable if the company produces “low-unit-value products that are bought frequently”. (Ellis 2010) In this case the return on investment comes sooner, but discounts are possible only for certain period of time.

2.3.5 Direct Marketing

Direct marketing is in B2B marketing important and cost-effective option. It is based on sending personalized messages to the target audience via various types of media, for example direct mail, telemarketing or leaflets. The main advantage is that target audience provides responses, which the company uses for improving its performance and decide how to spend its marketing resources, reduce costs and boost the sales. (The Marketing Donut 2009-2015)

The key is to have updated database, containing contacts of target audience. Important is to check the data regularly, remove the contacts which asked to be removed and keep everything in order. Dividing the remained contacts into particular groups according to their preferences can increase the effectiveness of the campaign. (The Marketing Donut 2009-2015)

- **Direct mail** – it is personalized mail, sent directly to the address of the customer or individual. This kind of marketing can support the relationship with customer.
- **Telemarketing** – suitable way for saving the costs and time, gain the information from customers and make the orders. Through telephone calls can the company remind the sales, news or provide technical support. (Ellis 2010)

Thanks to this analysis can company raise the satisfaction and improve its results.
3 MARKETING STRATEGY

Marketing strategy is important tool for making the relationship with the potential and also current customers. During the creating marketing strategy is important to realize that it is people-driven and constantly changing. The product or service which the customer needs today may become useless by tomorrow. (Ferrell and Hartline 2007) Changes in strategy apply for the whole company, so it has strong connection with its policy.

Before making any big decision is important to analyse the environment and gather information. At the end of creating the strategy, company should have answers on the questions such as:

- How to grow and be better like the competitors?
- What and whom to sell?
- What is the right combination of price, quality and how much to produce?
- How to promote? (Cheverton 2005)

Getting the answers and making the conclusions can be easier with using some of the marketing tools and strategic planning methods.

3.1 Strategic Planning Methods

SWOT – Strengths Weaknesses Opportunities Threats
SWOT analysis measures the business unit, a proposition or idea. Performing SWOT Analysis reveals the internal aspects which the company can control – strengths and weaknesses, and also the external harmful or beneficial aspects – threats and opportunities. The conclusion can lead to the performance of full potential of a particular company. (Lamb et. al., 2013)

PESTLE – Politic Economic Social Technological Legal and Environmental factors.
This tool observes external changes in the environment – market, and its effect on the company’s performance. (Pestleanalysis 2014)

- **Politic** – the intervention of the government affects the businesses in the way of taxes, restrictions, or policies
- **Economic** – economic factors such as interest and exchange rates, or inflation
- **Social** – takes into consideration cultural, social and ethical beliefs and rules which could have effect on the company
• Technological – new trends in technologies can ensure advantage between other competitors and has effect also on production and distribution
• Legal – laws related to many angles of business environment, like consumer and labour laws, safety standards
• Environmental – protecting the environment became serious issue and it got also into business. In environmental factors are interested mainly the sectors of tourism or agriculture, but also other sectors shows their attitude and interest towards current local or global environmental issues. (Pestleanalysis 2014)

3.2 Benchmarking

Benchmarking is the process of measuring and examining the performance, methods, and practices of the company and comparing it with the results of companies recognized as most suitable for this measuring. Main goal is to achieve the superior performance of a company with greater profits, which is based on comparing and contrasting with the others in the industry. (Camp 1989)

Benchmarking is the searching for new ideas within the particular industry, but it can be beneficial to research and find the inspiration also in another industries. Some methods found in those industries, after adapting to the target industry, can lead to competitive advantage. (Camp 1989)

Company has to go through basic steps to be successful. Those steps are:
• to know all the details about company’s own process of production, be familiar with all the features of its products
• find out who are the leaders in the industry and who makes the competition
• analyze the best and try to implement it into current performance
• gain superiority (Camp 1989)

3.3 Modern trends in marketing

The age of new technologies involved also new ways how to target the customer. Marketers have to realize, that huge amount of provided information which are often hard to absorb, and wide range of offerings push the customer to make his purchase decisions based more on the associations and symbols. That is the reason why is important to watch
new trends, choose the most accurate and implement them into company’s communication process.

- **Website** – Having updated, responsive and authentic website with good-quality design is the basic success. Website should have some features, which could help the company to be more effective in selling, for example:
  1. The e-shop products registered on the portals which show where to get the product for which price (example: heuréka.sk)
  2. The possibility for the customer to leave the feedback and references after the purchase
  3. Location of the shop marked in, for example, Google Maps
  4. The section involving the news affecting the company

- **Mobile marketing** – Nowadays, many of people have the smartphone or tablet, where they check not only the messages and emails, but also the information and news in the business. This means that it is important to assure that the website is functional and available also for mobile devices. (Zeiss et al. 2013)

- **Social media** – Business companies have more possibilities how to promote themselves. LinkedIn provides good service and functions. Companies can gain new information and contacts, but also be seen. Even though the social websites as Facebook and Twitter seem to be unimportant for business marketing, it does not have to be true. The advantage of being registered on those websites is that the company gets the direct response from the clients, gains the awareness, and as mentioned further, makes more intensive relationships with current customers. (Gillin and Schwartzman 2010)

- **Content marketing** – it is the way of communication with the customer, in which the company tries to explain and demonstrate the problem, which the company’s product solves. It is also continuing process of creating valuable content, which should attract and influence the customer and his behaviour. It is promoting without selling. Company tries to educate the customer. (Pulizzi 2014)

- **Video** – in business marketing is emerging the trend of videos. Short video can be the key of success, as it provides information, shows how it works and serve some feelings. (Thompson 2014)
3.4 Emerging trends in business-to-business

1. "Cloud" Services – Nowadays, the word “cloud” in business environment stands for leasing or renting the software. It is based on using the software online and paying smaller amounts of money monthly instead of paying thousands of Euros/crowns when buying the licence for brand new software. “Cloud” software is solution for small or middle companies, as it saves its finances and also for companies which needs their businessmen to be on the roads. The services are interconnected and those businessmen can easily put the orders or price-lists to the database online. (Peško 2012)

2. Retargeting – Retargeting means to watch and analyze the behaviour of the user after leaving the page he visited and offering him advertisements and links with similar content. Thanks to retargeting is online retail much more effective. B2B marketers do not watch online behaviour of the customer, but rather reaction of the potential customer to the combination of various types of advertisements and the marketing campaign of the company. (Gajdoš 2013)

3. B2B Portal for metal industry – Majority of business activities go through the Internet. However, not every company can afford experts for making professional website, which means that the company has to give up free advertising and the possibility that potential customers will find it easily. For those companies there is the chance to register on the portal aimed for the whole metal industry. Companies save their finances and it provides many advantages. Registration is for free and the concept is to make the companies visible and connect whole Europe. (MicroStep Industry 2010)

4. Viral marketing – It is an intentional serving and spreading of information. If the company has some news which it wants to serve, it is important to have a plan and make the right decisions when and to whom the information tell. Viral marketing is mainly about storytelling – as customers talk about the company in a positive way, it becomes more and more visible. (Scott 2007) The simple example of spreading company’s message could be offering free product or service that represents the message the company needs to spread. However, companies should search for unique ways how to go viral and make some buzz. (Wilson 2002)
5. *Guerrilla Marketing* – Guerrilla marketing is a creative and innovative way how to get into the minds of customers and make great profits with small budget. The biggest tool which helps businesses to produce those results is Web. (Turner 2007)

Guerrilla marketing uses a lot of psychology. Marketers need to know how to attract various types of people and combine all the aspect into one campaign. The campaign then will include numbers, words, logic and details to attract left-brained people, and pictures, colours, rhythm to attract right-brained people. Moreover, guerrilla marketing tends to take surprising and shocking as another big attribute of success. In many cases were those kinds of advertisements even controversial. However, people saw it, talked about it and it can be said that the purpose was fulfilled. (Levinson 2007)
4 SUMMARY OF THE THEORETICAL PART

Marketing communication is one of the most important parts of marketing mix. To consider all the factors which influence the performance and the environment in which the company exist, marketers do SWOT analysis and PESTLE, naturally with combination of other suitable tools and methods. This could help to analyze all the advantages and disadvantages, factors, barriers and so on. Furthermore, the value has also the phase in which the company is and also its goals.

To sum up the trends in communication with the customer via internet, the base is webpage fulfilling all the features stated above, if possible, customized also for mobile phones and to have active accounts and profiles in social sites.

Companies with smaller budget, which do not have the possibility to have full-value webpage can register on B2B portal for metal industry, where they became visible for other potential customers or became a part of some supply chain and distribution channel. In addition, cloud services are also way how to save money.

On the other hand, companies which have finances, but need to build positive image and inform their customers about their existence, development or changes can choose viral marketing and make the people to create some “buzz” or use more radical way, guerrilla marketing.

Unfortunately, everything depends on the intention of the marketers, what could be included in the campaign, as the customers are often unpredictable. There are many possibilities how to promote the company or the product. Companies can outsource marketing companies to create marketing campaign for them. What the company can do is to take the most prosperous chances which appear and be part of some big trade shows.
II. ANALYSIS
5 INTRODUCTION OF THE COMPANY

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Table 1. Basic information about Sadlon Technologies, s.,r.o.

Source: www.osrs.sk

The company Sadlon Technologies was established by Ján Sadloň, 23 June 2005. The legal form of this company is Limited Liability Company. At the beginning, the company was purely manufacturing. However, after a short period of time, the owner saw the niche in Slovak industrial market and he started to sell the measuring technologies. Since the beginnings, Sadlon Technologies tries to create and sell quality products for good prices, and achieve the goal to have satisfied returning customers.

The company performs its activities on the Slovak industrial market, in:

- Steel and metal processing
- Selling measuring technologies

According to sales, manufacturing creates 73% of the company’s total activity and business and trading creates 27%.

Nowadays, engineering industry belongs to the most important markets and also the competition is relatively strong. Generally, companies have to offers quality products. Due to this fact, the company is distributor and authorized representative for the brands:

- INSIZE (China) – measuring technologies
- HG TECHNOLOGY (Taiwan) – various tools

The company is located in bigger complex of industrial companies, in Stará Turá. Stará Turá is located between other cities which also have the industrial centres (Myjava 11 km, Nové Mesto nad Váhom 13 km), and the companies cooperate also among themselves.
5.1 Organizational structure

![Organizational Structure Diagram]

Figure 1. Organizational Structure

Source: Data provided by Ján Sadloň, CEO of Sadlon Technologies, s.r.o.

5.2 An Analysis of Marketing Mix

5.2.1 Product

Steel and metal processing includes purchasing materials for producing various components according to the needs of the customer. It works at the principle of customer’s needs and demands. There is no standing offer of the products and also no warehouse. The company produces only as many pieces as the customer orders. The production is technology-demanding, as the process demands CNC (Computer Numeric Control) machines.

The components and parts which the company produces are used for various kinds of machinery, which can be used in:

- health service
- food industry
- mining
- water supply engineering

Measuring technologies are interconnected also with the supply of the manufacturing products, as those are also spare parts for those technologies. To the range of the selling activities belong measuring technologies (callipers, micrometers, altimeters, etc.), various tools (milling machines, drills) and calibres.
5.2.1.1 Principle of orders

![Figure 2. Principle of orders](image)

Source: Data provided by Ján Sadloň, CEO of Sadlon Technologies, s.r.o.

5.2.2 Price

Companies which need expensive machinery have to realize the fact that the risk of not returning the investment is often high. Moreover, due to the fact that the machinery is capital-intensive and the company basically cannot set the price itself, it is more difficult to invest and develop the machinery.

The prices of the products vary according to the product features, intensity and complexity of the manufacturing process. Basically, the price of products cover the costs spent for the production but the profit depends on the competition, as the company has at least three competitors. The price is often customized according to their price.

The situation is better when it comes to the sales of the measuring technology. Despite the fact that the company has the warehouse for this equipment, the goal is always to sell everything. The discount is possible for the customers who order bigger amount of products.

5.2.3 Distribution

When it comes to material supply, company’s supply chains are partly stable and partly variable. Sometimes it depends on the size of the order and the benefits which the supplier offers, for example free delivery. In the case of smaller orders, the company makes a research of prices in more companies and chooses the most suitable one. This is necessary due to the fact that some of the suppliers are more likely to change prices, as they see that the demand is larger. Some of the business partners and suppliers are:

- Ocelex s.r.o. (Trenčín)
- Schmolz+Bickenbach (Moravský Písek)
- Arrayplast = materials
- Lyreco – Office supplies
The company provides the sales of measuring technologies – Toolbox.sk, and the calibres – Kalibre.sk. Distribution channels are usually direct, from manufacturer to customer, but there is also possibility to get the order at cooperating retailers or wholesalers (vending locations). If the customer wants, he can come directly to the company and take the orders. Unfortunately, the last option is partly impractical, as the company does not have the cashier. The payment has to come to company’s account, which can cause some difficulties, as some it sometimes longer time until the customer pays his sum. Delivery time varies, as it depends on the type of order. Manufacturing of the order takes about 2 weeks, and delivering 1 day.

The case of measuring technologies is different. If the goods are at warehouse, the expedition is basically immediate and the delivery is on the next day. On the contrary, in the case when the technology is not in the warehouse, it has to be ordered directly from the company – China and Taiwan. Due to the fact that the order goes via ship, the delivery time can be even 2 months. However, this is the case of some special or unusual orders.

5.2.4 Promotion

As the company does not have its own director for marketing, the communications mix is weaker. It uses only few ways how to inform or contact the customers. The CEO of the company thinks it is necessary to promote and create positive public image mainly for the part of his business than sells measuring technologies and calibres. The manufacturing is mainly about good relationships, so there the goal is to support them.

5.3 An Analysis of Marketing Communications Mix

The CEO of the company realizes how important the communication with the customers is. Since the establishment, he was trying to apply some of the strategies to his business. Some of them worked, some of them were not so successful.

5.3.1 Public Relations

- **Sponsorship** – the company gave amount of money to the teams of freetime activities – for example local football team, also local firemen team, so at the playground or at the places where the activities are performed can be seen the logo and the name of Sadlon Technologies.
5.3.2 Direct Marketing

- *Mobile marketing* – this way is used to inform the customers about the news, development or additional information

- *Catalogues* – Naturally, customers can look over the catalogue containing the range of products which the company sells, but it is not given for free as a sample. It is found directly in the company. This way of marketing communications company sees as not so effective.

5.3.3 Sales Promotion

- *Application for iOS* – The company evolved an application for sales promotion. It helps customers with calculating the cutting conditions for the instruments, and finding some spare parts. For the moment, it is functioning only for iOS.

- *Promotional items* – The company gives certain amount on buying promotional items, but they also realize that this kind of promotion does not build new relationships or get some new customers, it only creates positive brand image or impression.

5.3.4 Personal Selling

- *Events and exhibitions* – In 2013 was the company part of one international engineering fair, which lasts for four days. The company left the organisation staff on the association which offers those services. Although it brought some new customers, the company finds it ineffective, as the costs of the association were too high, in comparison to benefits and revenues. Sadlon Technologies has already finished the partnership with this association.

5.3.5 The Internet Communication

- This era of social networks offers great opportunities also for companies. The executives of the company realize that the Internet is for the company beneficial and really powerful. The websites offer information about range of the products and direct contact to the CEO, but still, some improvements connected with the visual aspects are needed to be more attractive for potential customers. Recently the company tries to interact with the customers via Facebook. However, everything is in progress, which means that the account has not already been completed.
6 PESTLE ANALYSIS

Political

In 2004, Slovak republic joined European Union, which caused significant change in the case of laws and norms. Moreover, establishment of the new currency, Euro, enabled companies to perform their business activities easier.

Still, entrepreneurs in Slovak republic have to deal with continuous changes in legislative and raising the tax burdens, which was result of amendment to the Act on income tax (2014). This brought also changes in the way of depreciation of assets. In spite of those facts, entrepreneurs have to make bigger efforts to watch the changes, avoid sanctions for breaking the laws and rules, and it is difficult for them to make long-term plans and strategies. (Združenie mladých podnikateľov Slovenska, 2014)

Economic

Slovak republic wants to achieve the same economic level as have the developed countries in Europe as soon as possible. This means that doing business is essential for achieving this goal, and entrepreneurship is the power engine. Small and middle businesses have great importance, as they help to support the growth of state economy. Government also has the priority to build better infrastructure – highways and expressways. The inflation rate is very low (-0.1 %), the GDP increased by 0.6 %. From the point of view of supply economy, the added value increased by 2 %, thanks to the industry and business sector. (TASR 2015)

Industrial field is very prosperous. The overall sales in industry in 2014, in comparison to 2013, increased by 3, 6% and the sales in steel and metal processing also increased by 13,1 %. (TASR 2015)

Moreover, engineering industry employs about 12% of the total number of inhabitants and creates 45% of the state’s overall industrial production. The disadvantage is that due to large export to western markets, the global economic crisis in 2009 had great impact on this field – decrease in sales, losses due to late payments, and insolvency of buyers. The recovery in 2010 caused rationalization of the number of employees, cautiousness and lowering the inventory. This changes caused pressure and emphasis on meeting the dates and deadlines, what can expose the relationships between the supplier and consumer. (Investujeme.sk 2014)
Social

The advantage of Slovak republic is that it has qualified and relatively cheap labour. However, people realize the fact that their work is not adequately paid and often leave the country and find the work abroad, to find better conditions. As the top management realizes that the key to success are quality employees, it is considered very hard to find employees as there is lack of talents, caused mainly by brawn drain. Still, the working habits are suitable for the production, as people place work and making money at first place and are used to work for 8 hours a day.

As was mentioned in economic factors, industry employs 12% of inhabitants in the republic and it is still increasing. In spite of the fact that the district Nové Mesto nad Váhom is specified as the district with middle concentration of industry production, also schools with this specification are trying to educate the students in this way to be able to find a job in industrial companies. (Nové Mesto nad Váhom 2015)

Technological

Due to the experience of the owner of the company, Slovak republic is small country with small industrial market and the innovations come as a result of copying the trends which already work in global markets for longer time. Small companies have little chance to be seen and known, because majority of already existing Slovak websites, created for connecting the companies, watch firstly the profit (paid registration) and until then quality services. Absence or slow system of innovations may discourage the investors to orient their activities and investments to this country.

Engineering demands expensive technology, which means that companies have to invest a lot of money in machinery. Moreover, there is huge risk of physical and also moral depreciation. Level of technological equipment also helps to strengthen the competitiveness.

Legislative

The year 2015 brought some changes in legislative connected to the entrepreneurs in Slovak republic. These changes are related to:

- change of the amount of payment to the health and social security
- changes in the tax legislation
- changes in the labour law
cash registers and the obligations arising from them (Združenie mladých podnikateľov Slovenska, 2014)

In spite of those changes, Slovak environment becomes hindered and more difficult for the entrepreneurs as they have to get to know, respect and implement it.

Ecological

Nowadays, ecology is becoming more and more crucial. People are interested and aware of the extent of pollution, occurrence of new diseases etc. It is not special that ecological problems transformed to political problems. Due to those facts, the production processes and technologies are continuously monitored and measured. Ecology is also closely connected with the innovations and more eco-friendly technologies and processes, so companies should also take care of the environment, as some of the business partners may be more caring about the environment and it could be also some kind of barrier in establishing a partnership.

Proves that company is interested in ecology and quality, are international standards known as ISO norms, which are generally accepted. Adoption of some of those norms can be attractive for foreign customers. Some of them are:

ISO 9001 Certification – “The standard consists of a series of Quality Management System standards that are designed to facilitate and enable consistency of a product or service and thereby ensure that customer requirements are met or exceeded. The standard can be applied in any manufacturing or service sector.” (Lucideon 2014)

ISO 14001 – “The national and international is recognised standard for environmental management. The standard provides a framework and guidance on the management of the environmental aspects and risk of your businesses activities, allowing you to work to continually improve your processes to both reduce environmental impact and increase profitability.” (Lucideon 2014)

ISO 50001 – Energy Management Systems (EnMS) Standard – “With the cost of energy (electricity, gas, oil) rising, proactive energy management is becoming a necessity for most organisations. Add to that the environmental benefits from such a focus, for example the reduction in carbon emissions and the limiting of environmental impact, and it’s easy to see
why the new ISO 50001 Energy Management Systems (EnMS) Standard is being welcomed by organisations worldwide.” (Lucideon 2014)
7 BENCHMARKING

The competitors were chosen by the Company itself:
Competitor no. 1 – KCN Komplexné centrum náradia s.r.o.
Competitor no. 2 – UNITOOL plus s.r.o.
Competitor no. 3 – TatraCom-Ferro s.r.o.
Competitor no. 4 – WNT Česká republika s.r.o.

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<th>KCN</th>
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</table>

Table 2. Benchmarking. Source: Own evaluation

The competitors for Benchmarking are companies with similar focus of business activities, which only slightly vary in the case of range of products or services. All companies perform their activities in Slovak market (the company WNT Česká republika s.r.o. has its subsidiary also in Slovakia).
Weight of the factors shows the connection with the marketing and communication with the customer. Factors with the highest weight have the biggest connection, and factors with lower weight have smaller connection.

The table shows, that the leader is WNT Česká republika – company performing also in foreign markets, providing also additional service, with complex marketing communications strategy and much experience. Sadlon Technologies is at the 3rd place, which means that it is in the middle. The biggest weakness is low level of internet communication. Even though that it is in preparing, it is still in its beginnings.

Factors of benchmarking are included also in SWOT analysis.
8 SWOT ANALYSIS

Strengths
⇒ small company = more flexible for future changes
⇒ position of the company – in bigger complex of many industrial companies
⇒ offering the practice for students and job position for graduates
⇒ the only authorized representative for 2 trademarks – INSIZE Co., Ltd., and HG Technology Co., Ltd. – high quality products
⇒ customer’s needs at the first place

Weaknesses
⇒ weak marketing communications strategy
⇒ no possibility to pay for the order directly at the seat of the company – no cash machine – disadvantage for customers with cash
⇒ not impressive logo of the company
⇒ no export to other countries
⇒ no e-shop
⇒ do not provide additional services

Opportunities
⇒ to penetrate into new markets and gain new customers abroad
⇒ the program Horizont 2020 (by European Union) supports small and middle businesses to get a grant, when it comes to investments into research and innovations, as a way how to increase their competitiveness
⇒ to educate young people (f.e. directly, at high school students) about importance of steel and metal processing
⇒ occurrence of new needs and extension of product line

Threats
⇒ expensive machines and their maintenance
⇒ new competitors in the district
⇒ industrial field unattractive to young people
⇒ too low prices of competitors
difficult to promote industrial products in creative way
unfavourable changes in legislative and laws

8.1 IFE Matrix

<table>
<thead>
<tr>
<th>Internal Factor</th>
<th>Weight</th>
<th>Rating</th>
<th>Weighted score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>small company = more flexible for future changes in demand</td>
<td>0.02</td>
<td>3</td>
<td>0.06</td>
</tr>
<tr>
<td>position of the company – in bigger complex of many industrial companies</td>
<td>0.02</td>
<td>3</td>
<td>0.06</td>
</tr>
<tr>
<td>offering the practice for students and job position for graduates</td>
<td>0.07</td>
<td>4</td>
<td>0.28</td>
</tr>
<tr>
<td>the only authorized representative for INSIZE Co., Ltd., and HG Technology Co., Ltd. – high quality products</td>
<td>0.3</td>
<td>4</td>
<td>1.2</td>
</tr>
<tr>
<td>customer’s needs at the first place</td>
<td>0.1</td>
<td>4</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>0.51</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

| Weaknesses                                                                      |        |        |                |
| weak marketing communications strategy                                           | 0.2    | 1      | 0.2            |
| no possibility to pay for the order directly at the seat of the company – no cash machine | 0.04   | 2      | 0.08           |
| Not impressive logo of the company                                              | 0.02   | 2      | 0.04           |
| no export to other countries                                                    | 0.1    | 1      | 0.1            |
| no e-shop                                                                       | 0.16   | 1      | 0.16           |
| do not provide additional services                                              | 0.03   | 2      | 0.06           |
| Total                                                                          | 0.49   |        | 0.64           |
| **Total Weighted Score**                                                        |        |        | 2.64           |

Table 3. IFE Matrix. Source: Own evaluation.
### 8.2 EFE Matrix

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>External factor</th>
<th>Weight</th>
<th>Rating</th>
<th>Weighted score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to penetrate into new markets and gain new customers abroad</td>
<td>0.2</td>
<td>4</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>the program Horizont 2020 (by European Union) supports small and middle businesses to gain a grant, to increase their competitiveness</td>
<td>0.1</td>
<td>4</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>to educate young people (f.e. at high school students) about importance of steel and metal processing</td>
<td>0.1</td>
<td>4</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>occurrence of new needs and extension of product line</td>
<td>0.05</td>
<td>3</td>
<td>0.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>0.45</strong></td>
<td></td>
<td><strong>1.75</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Threats</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>expensive machines and their maintenance</td>
<td>0.03</td>
<td>2</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>new competitors in the district</td>
<td>0.04</td>
<td>2</td>
<td>0.08</td>
</tr>
<tr>
<td></td>
<td>industrial field unattractive to young people</td>
<td>0.08</td>
<td>2</td>
<td>0.16</td>
</tr>
<tr>
<td></td>
<td>too low prices of competitors</td>
<td>0.1</td>
<td>1</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>difficult to promote industrial products in creative way</td>
<td>0.1</td>
<td>1</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>unfavourable changes in legislative and laws</td>
<td>0.2</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>0.55</strong></td>
<td></td>
<td><strong>0.7</strong></td>
</tr>
<tr>
<td><strong>Total Weighted Score</strong></td>
<td></td>
<td>1</td>
<td></td>
<td>2.45</td>
</tr>
</tbody>
</table>

Table 4. EFE Matrix. Source: Own evaluation.
8.3 SPACE Matrix

The space matrix shows that the company Sadlon Technologies is situated in the fourth quadrant, which says that the strategy should be competitive. Naturally, the company has strengths which should be maximized when it comes to elimination of the threats. The strategies are stated below.

The competitive strategy should consist of the ideas to attract customers, bear the competition and strengthen the position in the market.
### Internal factors

#### S - Strengths
- small company = more flexible for future changes in demand
- position of the company – in bigger complex of many industrial companies
- offering the practice for students and job position for graduates
- the only authorized representative for 2 brands
- customer’s needs at the first place

#### W - Weaknesses
- weak marketing communications strategy
- no possibility to pay for the order directly at the seat of the company
- not impressive logo of the company
- no export to other countries

### External factors

#### O - Opportunities
- to penetrate into new markets and gain new customers abroad
- the program Horizont 2020 (by European Union) supports small and middle businesses to get a grant, to increase their competitiveness
- to educate young people about importance of steel and metal processing
- new needs and extension of product line

#### T - Threats
- expensive machines and their maintenance
- new competitors in the district
- industrial field un-attractive to young people
- too low prices of competitors
- difficult to promote industrial products in creative way
- unfavourable changes in legislative and laws

### Competitive Strategies

**ST Strategies**

ST1 The Marketing Department
ST2 Improvement of marketing communication
ST3 Intensive cooperation with schools and students
ST4 Authoritative representation as promotion
ST5 Creating closer relationship with the customers
ST6 To enter new markets

Table 5. Evaluation of IFE and EFE Matrix. Source: Own evaluation.
9 COMPETITIVE STRATEGIES

As the legislative restrictions are constantly changing, it is difficult for companies to adopt those changes quickly, because it often affects whole company. In this case, small companies have an advantage in comparison to big ones, as they can react more easily. Due to the fact that there are not so many departments, preparations for adopting the changes take shorter time and less effort. Also as PESTLE analysis showed, Slovak republic and also European Union policies take small and middle sized businesses as important part of economy, so there are also many positive changes and competent people will probably take care of those businesses. Even though company cannot influence those changes, this strength could help to weaken the negative consequences.

ST1: The Marketing Department

Having the Marketing Department is probably the key step which can make many things easier. Specialists in this field are able to analyze the wants and needs of the customer, to see what works and improve the performance of the company. Moreover, they search for new potential customers, find new market possibilities, and what is really important they are responsible for the communication with the customer.

When the company decides to develop the Marketing Department, firstly it has to undergo some steps:

- to think about the strategy or the main goal, which the company wants to achieve
- find the most suitable employees for this position or create an initiative team of more workers
- to decide about the organizational structure and to delegate the responsibilities

(Kotler and Keller 2006)

Moreover, as the specialist is the new employee, the financial director has to analyse money, which can be used to cover the costs connected with this new position.

ST2: Improvement of marketing communications mix

Firstly, the company has to think about the main goal which needs to be achieved. In this case, Sadlon Technologies wants to promote itself, its product and also create positive image of the company. As the analysis showed, Sadlon Technologies has already made some attempts and steps, some of them were successful, the rest not.
ST3: Providing enough Information

The absence of quality information about the company and its products is often the reason why are the people suspicious and do not want to try something new. Website is probably the most effective and cheapest tool, which works 24 hours 7 days a week. Improving and enriching the content by providing some information about the company and also the brands which the company sells could be the step forward. The same works for logo, or e-shop.

Nowadays, there exist some specialized organisations which are able to do this work for the company professionally.
Example: *ID Crew* (idcrew.sk) – a team consisting of more specialists, who make logos, slogans, websites, e-shops, address cards and some more. They provide also some instructions how to manage the website or e-shop. (ID Crew 2014)

ST4: Cooperation with young people

Young people are the future of everything. Today’s generation of young people is different in many aspects. They are technology-friendly, well-informed, and the majority of their communication works via the Internet. Moreover, young people do not spend so much time watching TV or reading newspapers/magazines than they did before the evolution of the Internet. This means that also the communication channels need to be changed.

ST5: Promoting the authoritative representation of the products

Another way how to promote products is to emphasize the uniqueness of the products, take inspiration from abroad, present the products intensively so as it could also help to create public awareness. Nowadays, companies have to face the fact that some foreign companies offer the consumers much cheaper products, but with lower level of quality. Sadlon Technologies should promote, why they chose mentioned companies and emphasize the uniqueness.

ST6: Creating closer relationship with the customers

This strategy is also connected with marketing communication. It is beneficial, if the customer returns and repeats his order, but to build closer relationship, company should consider some steps to show the thanks and care. The company should analyze the customers who are good business partners, and who are interested also in the buzz created
which appears. As contacts are an essential part of making the buzz, company should be interested not only in the business partners, but also in friends, family and their friends. This could help to find new group of target audience, about which the company have not thought yet.

**ST 7: To enter new markets**

Entering into new, international markets involves achieving some knowledge about foreign countries, their habits and the overall system which works there. As Slovak market is relatively small and the resources are limited, it is crucial to be informed.

1. *Product policy* – Due to the fact that the culture and habits are different throughout the countries, the demands and preferences vary. This is the reason why those companies which enter the international market have to customize its products features. However, Sadlon Technologies does not need to undergo this change, as the manufacturing products are always made according to customer’s preferences. The only problem could be inability to manufacture the parts which are not common in Slovakia, but it will take some time to find out the weaknesses.

2. *Communication policy* – Many companies performing in international market gained useful experience, for example, customizing the communications strategy in accordance to culture and habits of particular country. Examples: in Saudi Arabia, the advertisements or catalogues cannot appear women, as women do not have the same rights as in other countries. (Sterling 2012)

3. *Distribution* – Distribution has to be also customized, as some countries may prefer local delivery systems, not the international. The company has to respect the opening hours and also people’s usual timetable of the day.

Naturally, new markets hide many other changes, which the company finds after some time. Despite those preparations, international market offer huge possibilities for the company – closer cooperative relationships between companies, higher effectiveness of development, innovations, and in logistics and distribution. Last but not least, even if the company would not be much more profitable, it would gain experiences, which can push the company forward.
9.1 Suggestions for Marketing Communications Strategy Innovation for Sadlon Technologies s.r.o.

1. Young people – Intensive cooperation with schools and students of industry and fine arts study programmes

Cooperation with students and graduates can help to solve the problem of unattractiveness of manufacturing and engineering. Enabling students to visit the company, educating them about the importance of manufacturing and offering them the place for practical training can also bring success and create positive image. One of the schools is Stredná odborná škola which is situated directly in Stará Turá, the others are also in Myjava or Nové Mesto nad Váhom.

Moreover, as it is more difficult to promote those products and address the young people, the company could try to cooperate also with some schools with fine arts study programmes. As young people have probably better imagination about what could work, students could create some prospects, share their ideas and show their creativity as a part of their education. The nearest high school focusing on arts (Stredná umelcová škola) is in Trenčín (35 km).

1\textsuperscript{st} step – storytelling – Sadlon Technologies has its seat in Stará turá and so has Stredná odborná škola. This brings great opportunity to give the directory of the school an offer to make some kind of a lecture about the industry, and steel and metal processing. These lectures should be educative but also interesting, and what is essential, it should include also storytelling. It is effective way how to make those pupils aware of the company, introduce it and get into their minds. Additional step is to answer the questions, leave the contact and maybe the prospect, to tell them about the website, offering the possibility to cooperate, make some interactions and leave some promotional items.

2\textsuperscript{nd} step – Social media rules the world and Facebook is part of almost every teenager. Before posting and developing the Facebook account of the company, the creator should think also about those young people – share interesting articles, innovations and overall news about the company. (Otáhalová 2012) 

⇒ This strategy could create positive image of the field and company, and if it will be performed well, it could broke out into word-of-mouth marketing.
2. Stable customers – Closer relationship with the customers

1\textsuperscript{st} option – Newsletters – E-mail communication is probably the most cost-effective way of communication. However, it is successful if it meets the target audience. Brief and maybe visually attractive e-mails can include tips, trends or just a message that you care about your customers. Newsletters are interconnected with one of the current trends on marketing, viral marketing, which means that if you do a good job, the e-mail can be easily shared among the contacts of customers.

2\textsuperscript{nd} option – Rewards – almost everyone is delighted when gets something for free, or as a reward. The same applies for the customers. A coupon, discount or something additional as a benefit, could also encourage the customers to return. Company just has to decide the possible percentage which it can offer to customers.

3\textsuperscript{rd} option - Combination of those options – Newsletter containing the coupon or discount is 2 in 1. This idea can encourage people to try the tip you promote and lower the risk using the discount, if it was not so suitable for them. http://www.entrepreneur.com/article/77686

\Rightarrow The main goal which should be achieved is to build closer relationship with the customer and achieve repeating orders.

As shown in the analysis, Sadlon Technologies already uses some ways of sales promotion, such as Mobile Marketing and the new application for iOs, which can be added to those options.

3. New customers

a) Common people

Billboards/Posters – In this case, it is not about the billboards which are situated beside the roads, but it is rather a poster. Those posters should be of adequate size, at strategic and visible places. Again, it should be visually attractive.

Sponsorship – Sadlon Technologies sponsored local football team and also local fire workers, who then also bought some measuring equipment which is useful for those activities. Sponsorship as a part of marketing communications strategy is powerful tool for establishing positive brand image. It can start curiosity as there is not the target audience, but rather captive audience.
b) Companies

LinkedIn – Registration is free, everything the company has to do is to fill the profile the way it provides all the important information. This can bring also foreign customers. Unfortunately, Slovak websites do not offer the possibility to register at some corporate websites for free. According to the experience of Sadlon Technologies, majority of websites want to earn the money first but do not provide services of adequate quality.

E-shop – Having e-shop offers many advantages:
- It saves time, fuel and energy, as the customer has to make a few clicks
- 24/7 availability
- Bigger variety of customers
### 9.2 Costs and time connected with Implementation of the strategies

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Young people</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storytelling</td>
<td>free</td>
<td>Time needed for Preparation (4 hours) + Time spent at school = 60 minutes x number of lectures</td>
</tr>
<tr>
<td>Facebook Account</td>
<td>free</td>
<td>10 – 60 minutes a day</td>
</tr>
<tr>
<td><strong>2. Stable Customers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newsletters</td>
<td>free</td>
<td>Time spent by preparing the e-mail (1 hour)</td>
</tr>
<tr>
<td>Rewards, coupons in form of e-mail</td>
<td>Depends on the company</td>
<td>Time spent by writing the e-mail (30-60 minutes)</td>
</tr>
<tr>
<td><strong>3. New Customers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Posters - the company MYPRINT s.r.o.</td>
<td>Printing – around 25 Euro + Tax for placing the poster – 0, 330 Euro a day</td>
<td>Max. 7 days</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>Depends on the company + poster</td>
<td>Time for evaluation and negotiation with the target associations</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>free</td>
<td>10-60 minutes a day</td>
</tr>
<tr>
<td>Website - ID Crew</td>
<td>99 – 249 Euro - depends on the type of website</td>
<td>3 days (ID Crew) + 10–60 minutes a day</td>
</tr>
<tr>
<td>Promotional Items</td>
<td>Invested sum depends on the company</td>
<td>Production = 1 – 2 days</td>
</tr>
<tr>
<td>E-shop</td>
<td>199 – 349 Euro - depends on the type of e-shop</td>
<td>5 days (ID Crew) + 30–60 minutes a day</td>
</tr>
</tbody>
</table>

Table 6. Costs connected with implementing strategies

Source: Own evaluation + (ID crew 2014) + (Oficiálne stránky mesta Stará Turá 2015) + (MYPRINT 2010)
CONCLUSION

Nowadays, marketing is the key to success. Every company has numerous possibilities and forms to choose to communicate with its customers. Due to the fact that it has to be effective and addressed to the target audience, it is necessary to watch new trends constantly and adapt to them quickly. The company Sadlon Technologies s.r.o. is relatively prosperous company, but with some shortcomings in its marketing communication.

The goal of this thesis was to suggest a number of recommendations for innovation of marketing communication strategy of the company. Even though the company belongs to the category of smaller businesses, its communication mix can be fully effective.

The work consists of theoretical facts based on literature, information about the company Sadlon Technologies s.r.o., and the analysis of actual level of its marketing communication.

The analysis consists of following steps: analysis of the current promotion mix, Benchmarking, PESTLE Analysis, SWOT Analysis, which continues with IFE and IFE Matrix and the scores from those matrixes show the position of the company and the character of the strategy it should implement. The information about the company is provided by the owner of the company. The analysis showed that the company should use its strengths to lower the impact of threats. In the final part, the target audience is divided into three groups. Each of them has several suggestions which could reach this audience effectively. As the location of the company offers some advantages in the way of communication and promotion, this aspect is included in the strategies too. Those strategies are not so costly, but rather time-demanding.

The company can consider the strategies and possibly implement them. The calculation of the tome and costs which those strategies demand should make the owner consider also the question whether it is possible to manage those changes by the company’s actual employees or if a new employee would be more beneficial. The real results of those strategies will probably be visible after longer time-period.
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TBU in Zlín, Faculty of Humanities


http://webmarketingtoday.com/articles/viral-deploy/.


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