# MARKETING STRATEGY of AEGEE Brno

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Master thesis 2016



Tomas Bata University in Zlín Faculty of Management and Economics

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# MASTER'S THESIS ASSIGNMENT

(PROJECT, ARTWORK, ARTISTIC PERFORMANCE)

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- I. Theoretical part
  - Compile the theoretical information about marketing strategies.
- II. Practical part
  - Analyze current marketing situation and marketing environment of the chosen company.
  - Prepare the project of new marketing strategy for the next 2016 2018.
  - Submit prepared project to risk and cost analysis.

Conclusion

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**ABSTRAKT** 

Cílem diplomové práce je vytvořit marketingovou strategii pro neziskovou organizaci. Mar-

ketingové strategie neziskových organizací jsou určeny ke zvýšení povědomí o existenci

organizace, stejně jako k přilákání dobrovolníků a zvýšení množství darů. Hlavní důraz mar-

ketingové strategie pro neziskové organizace je kladen na značku a komunikaci.

Diplomová práce obsahuje teoretickou a analytickou část. Marketingová koncepce a typy

neziskových organizací jsou charakterizovány v teoretické části. Druhá část diplomové práce

aplikuje teorii na konkrétní organizaci. Byl proveden marketingový výzkum, analýza

vnějších a vnitřních faktorů a analýza marketingového mixu. Poslední část je věnována re-

alizaci marketingové strategie do praxe.

Klíčová slova: marketingová strategie, situační analýza, nezisková organizace

**ABSTRACT** 

The aim of the master thesis is to create marketing strategy for nonprofit organization. Mar-

keting strategies of nonprofit organizations are designed to increase the awareness about the

existence of organization as well as to attract volunteers and donations. The main emphasis

in marketing strategy is put on branding and communication.

Master thesis includes theoretical and analytical parts. Marketing concept and types of non-

profit organizations are introduced in theoretical part. Second part of the master thesis ap-

plies theory on particular organization. Marketing research, analysis of external and internal

factors, developing of marketing mix have been conducted in analytical part. The last part is

dedicated to implementation of marketing strategy into practice.

Keywords: marketing strategy, situation analysis, nonprofit organization

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I wish to acknowledge nonprofit student organization AEGEE. The experience and knowledge which I gained as an active member of AEGEE since 2013 were crucial in designing my master thesis.

Finally, my profound gratitude to my parents Halyna and Bohdan and to my sister Uliana for providing me with unfailing support and continuous encouragement throughout my years of study and through the process of researching and writing this thesis. This accomplishment would not have been possible without them.

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# INTRODUCTION

Society is changing rapidly. As a result, a greater attention is been given to nonprofit sector as it contributes substantially to the mitigation of human problems throughout the world. Nonprofit organizations are becoming an inevitable part of society as they offer important services for the society such as health, social welfare and education that are not provided by the profit sector and considered crucial (Holland, 2010). Over the last three decades, number of nonprofit organizations has grown enormously. Therefore, competition amongst them has increased as well. Effective marketing strategies and tactics need to be engaged in nonprofit organizations in order:

- To acquire more customers, enhance public awareness and build up long-term relationships with them;
- To promote services;
- To generate a competitive advantage of organization;
- To get to the forefront among investors and donors;
- To obtain sufficient funds to finance its operations.

Hence, these facts increasingly force the nonprofit organization to focus on marketing and choose the correct tools of communication channels in order to reach the goals. Myriad of authors assert the importance of marketing activities for nonprofit organizations. Patterson and Radke (2009) explain that marketing has had a major impact on branding and communication of organization. Blythe (2009) suggests that marketing assists in developing customer loyalty and focus on the lifetime value of the customer. Nevertheless, there is a need of information that describes the third sector in terms of how to conduct sophisticated marketing activities with the minimum of expenses on it.

Due to the lack of financial resources, nonprofit organizations are not able to afford establishing marketing departments and pay for marketing specialists in organization. As a result, the creation of marketing strategy or marketing plan is not efficient in most of the nonprofit organizations. This leads to poor presentation and spreading information about them to the public. Furthermore, donors most probably will not provide funds to little known organization. Hence, lack of funding for marketing activities is the biggest constraint for most nonprofits. Often, organizations have forced to choose the cheapest way of promoting its activities and it causes to low effectiveness of the campaigns.

# OBJECTIVES AND METHODS OF MASTER THESIS PROCESSING

The objective of master thesis is to create a project of marketing strategy for a nonprofit student organization AEGEE-Brno where I have been an active member for 3 years. Subsequent objectives of the master thesis are as follows:

- Compile the theoretical information about marketing strategy building principles for non-profit organizations:
- Analyze current marketing activities of AEGEE Brno;
- Conduct marketing research;
- Prepare the project of marketing strategy for AEGEE Brno;
- Submit prepared project to risk, time and cost analysis.

The target group of marketing strategy is young people from 18 to 26 years. A typical representative of the target audience is high university students, regardless of field of study, who loves to travel and wants to develop their skills and abilities. The project of marketing strategy has compiled based on the results of marketing research, which was conducted by representatives of target group of the organization. Three major questions has been identified to be answered in order to evaluate students' perception of new product of AEGEE Brno:

- What are the reasons that influence on students' choice to participate in the nonprofit associations?
- Are students interested in workshops aimed at developing knowledge and skills?
- What is the amount of fee students are willing to pay per one workshop?

The research aimed to identify students' attitudes toward workshop on knowledge and skills development.

A quantitative method of research has been chosen to analyze the answers of respondent's. Due to this method, the answers of our respondents were estimated in percentages or numbers. Moreover, quantitative methods are best for analyzing cause and effect. An online survey was determined as the method to collect data from students.

Besides, during the preparation of the project the following tools and methods have been used: benchmarking, PEST analysis, SWOT, SWOT matrix, Space matrix, QSPM matrix. To conduct time analysis was used free software WinQSB, PERT-CPM Module.

# I. THEORY

# 1 UNDERTANDING THE MARKETING STRATEGY

Nowadays everybody speaks about marketing however, many people just misunderstood it as advertising and promotion. Despite the meaning and functions of marketing are broader. Undoubtedly, these perceptions are partly correct, advertising and promotion are the major way in which most people are exposed to marketing. Further investigations reveal that terms "marketing" actually covers all components of company such as: name, brand, culture and positioning, market research, new product development, advertising and promotion, PR (public/press relations), and debatable all the customer concerned functions as well (Andrew Whaley, 2012).

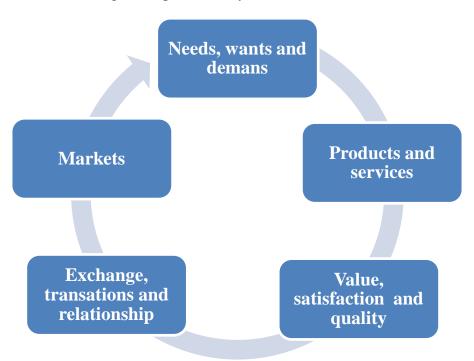
# 1.1 General concept of marketing

The evolution of marketing makes has caused that different sources interpret the meaning of marketing in various ways. It is important just to take a look of the short-term evolution of interpretation of marketing made by the American Marketing Association (https://www.ama):

- In 2006, it was given the following definition: "Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (AMA, 2006).
- And the most recently in July 2013 is: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (AMA, 2013).

Kotler (2010) suggest that marketing is getting the right goods and services to the right people at the right places at the right time at the right price with the right communications and promotion.

We suggest that marketing is an art process of selecting the market, anticipating needs, wants and demands of the customers, which will bring value, satisfaction and quality to the customer and organization that will build up long term exchanged relationships (Figure 1).

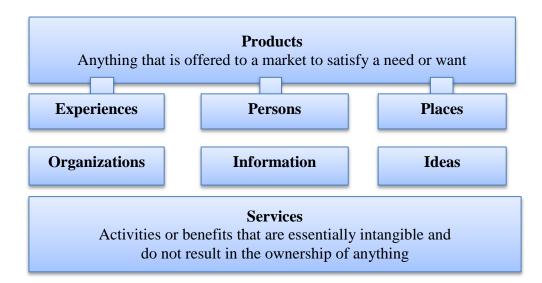


**Figure 1:** Core Marketing Concepts (Whalley, 2012)

Nowadays marketing is no longer a function, it is a strategy of doing business. In fact, organization is focusing on people so as the marketing. In essence it is the process by which a company decides what it will sell, to whom, when, how and then does it. All this brings us to another level – marketing as strategy.

Strategy has never been more important than today. Some organizations have tried to be successful by buying land, building a factory, equipping it with people and machines, and then making a product that they believe consumers need. However, these organizations frequently fail to attract buyers with what they have to offer because they defined their business as "making a product" rather than as "helping potential customers satisfy their needs and wants" (Jobber, 2012). Such organizations have failed to implement the marketing strategy concept. It is not enough to be product-led, no matter how good the product. An organization must be in tune with consumer or business customer requirements.

According to the marketing strategy concept, an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals. Customer satisfaction is the major aim of the marketing strategy concept (Iacobacci, 2014). First, an organization must find out what will satisfy customers. We have tried to answer to this question and illustrate it in Figure 2.



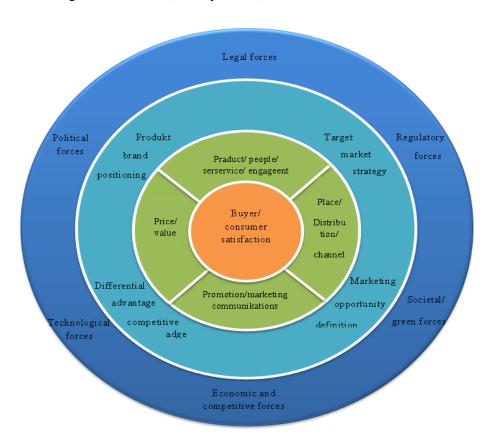
**Figure 2:** What will satisfy consumer's needs and wants? (adapted by author)

The marketing strategy concept may seem an obvious and sensible approach for running companies and organizations. In this master thesis different author's interpretations of the term "marketing strategy" is provided in Appendix I.

Kotler (2007) states that marketers spend much of their time managing existing products, target markets and marketing programs. Even with such so-called "steady-state" operations, the dynamic nature of marketing leads to continual changes in the marketing environment, competitors and their activities, as well as in customers' needs, expectations, perceptions and buying behavior. Without an understanding of these issues, marketing strategies and their associated marketing programs cannot be truly effective. Marketers should undertake analyses of these market conditions. As changes in the market may occur, marketers should revise their marketing strategies accordingly. Any strategy modifications will necessitate changes to the organization's marketing programs. This analytical process of marketing analyses, strategy formulation and the creation or modification of marketing programs is necessary for existing activities and target markets. This marketing process is also required when an organization contemplates entering new markets, launching new or replacement products, modifying the brand strategy, changing customer service practices, rethinking advertising and promotional plans, altering pricing or evaluating distribution policies.

The marketing process is the analysis of market conditions, the creation of an appropriate marketing strategy and the development of marketing strategies designed to execute the agreed strategy as depicted in APPENDIX II. Finally, as part of this process, the implementation of the marketing strategy and its associated marketing programs are recommended to be managed and controlled (Dibb and Pride, 2012).

The marketing mix decision variables such as product, place/distribution, promotion, price, people and the target market strategy are factors over which an organization has control. As Figure 3 shows, these variables are constructed around the buyer or consumer. The marketing environment variables are political, legal, regulatory, societal, technological, economic, and competitive forces. These actors are subject to less control by an organization, but they affect customer' needs as well as marketing managers' decisions regarding marketing mix variables.



**Figure 3:** Marketing environment (Hooley, 2011)

Subhash (2009) went on to explain that within a given environment, marketing strategy deals essentially with the interplay of three forces known as the strategic three Cs: customer, competition, and corporation. He noted that these three strategic Cs are dynamic, living creatures with their own objectives to pursue and together, form the marketing strategy triangle. If

what the customer wants does not match the needs of the corporation, the latter's long-term viability may be at stake.

Positive matching of the needs and objectives of customer and corporations required for a lasting good relationship. Nevertheless, such matching is relative, and if the competition is able to offer a better match, the corporation will be at a disadvantage over time. In other words, the matching of needs between customer and corporation must not only be positive, it must be better or stronger than the match between the customer and the competitor. When the corporation's approach to the customer is identical to that of the competition, the customer cannot differentiate between them. The result could be a price war that may satisfy the customer's but not the corporation's needs.

Therefore, Iacobaci (2014) based on the interplay of the strategic three Cs formulates marketing strategy essence of decision-making:

- 1. Where to compete that requires a definition of the market (for example, competing across an entire market or in one or more segments);
- 2. How to compete that requires a means for competing (for example, introducing a new product to meet a customer's need or establishing a new position for an existing product);
- 3. When to compete that requires timing of market entry.

The attention has been centered on commercial organizations, those intent on making profits. However, many other organizations operate in what is referred to as the nonprofit sector. Despite the similarities between nonprofit and commercial marketing there are some key differences in how marketing has exposed in the nonprofit and for profit environments, particularly in relation to marketing communications.

# 1.2 Marketing in nonprofit organizations

Over the last years, the role of marketing in nonprofit organizations has grown substantially as these organizations have realized the value of marketing in developing a strong understanding of customers and other stakeholders. In nonprofit organizations, marketing strategies are used to build the organization's image and reputation in society and help the public to remember about the organizations existence. Furthermore, marketing tactics help to differentiate one nonprofit organization from another one that is offering similar programs and used to attract and retain donors and volunteers.

# 1.2.1 Characteristics of nonprofit organizations

It is important to clarify the terms nonprofit sector and nonprofit organizations. The national economy can be divided into a profitable and nonprofit sector. Profit sector is financed from own funds and intents on making profits. Nonprofit sector is financed through redistributive processes of public finances and the main goal is to achieve goals of organization (Laider - Kylander, 2013).

In the nonprofit sector can be distinguished organizations in the public sector, which mainly deal with public administration. The second group includes nonprofit organizations in the private sector, which stands outside the public sector and their mission is to contribute to public policy. These organizations are called nongovernmental organizations, and they have some of the features (Blythe, 2009):

- Entities are institutionalized;
- Private character and independence from the state. They are separated from the public administration;
- Principle of undistributed profits. Distribute profits among the owners or managers of the company, but use it to finance their activities;
- Autonomy. They have their own organizational structure and are controlled from the outside, so they are autonomous;
- Voluntariness. They are voluntary in the sense of providing services or in the management of the organization.

Another key characteristic of nonprofit organization that impact on marketing illustrated in Figure 4.

*Stakeholders* are those groups with whom the organization has a cooperation and which impact on the operations of the organization. It involves trustees, regulatory bodies, other not for profit partners, supply chain partners, members and customers.

*Transparency* means the use of public money, grants and donations in nonprofit organizations must be monitored, tracked and reported. It is prohibited to share received public money within the members of organization. In order to attract donations, nonprofit organizations must be able to demonstrate trust, integrity, and honesty.

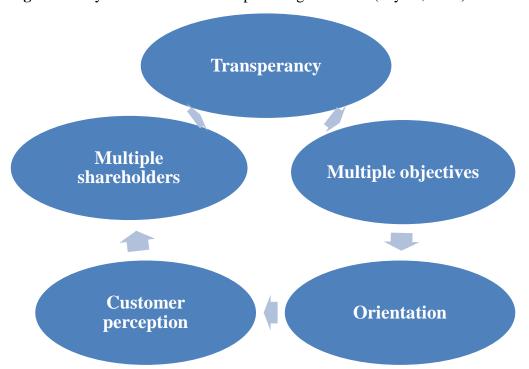


Figure 4: Key characteristics of nonprofit organizations (Blythe, 2009)

In the nonprofit sector, profit is not the central overriding goal. Nonprofit organizations have a range of goals, a *multiple set* of tasks that are struggling to achieve. These include generating awareness, motivating people to be volunteers, distributing information, contacting customers, raising funds, allocating grants, and lobbying members of parliament for a change in regulations or legislation. Other goals include increasing their geographical spread to reach new people who might benefit from the organization's activities and campaigning to get media attention about a particular issue. In the nonprofit sector, performance measurement is more challenging, simply because there is the use of a wider set of objectives (Blythe, 2009).

*Orientation* means that manufacturing, distributing, and selling a physical product are not the main perspectives of organization whereas delivering a service to customer makes non-profit organization customer-centric.

Customers of private sector organizations realize that in exchange for products or service they are contributing to the profits of the organization they are dealing with. Customers have a choice and organizations compete to get their attention and money. In the nonprofit sector, customers do not always have a choice. Donors are free to give to one charity rather than another or not to give anything at all. In the public sector, choice is often limited, although governments do try to provide some options.

# 1.2.2 Types of nonprofit organizations

Sargeant (2010) suggested that nonprofit organizations are divided into formal or informal. Informal nonprofit organizations are volunteer operated, having no paid staff. Formal non-profit organizations usually, but not always, have one or more paid staff. They are usually chartered or registered with the government in their country. Countries may provide slightly different labels for some of the nonprofit categories but nonprofit organizations generally fall into the following groups (Sargeant 2010):

- Religious organizations;
- Education and research organizations;
- Health-related organizations;
- Social welfare organizations;
- Art and culture organizations;
- Business, professional, and membership organizations;
- Youth development organizations;
- Other types of nonprofits.

The fact that a nonprofit organization does not target a profit does not mean that they cannot achieve profit organizations. The notion of profit is that if the nonprofit organization makes a profit, then the profit carried forward to finance their own activities and to achieve their goals, this profit is not distributed among the owners or directors of the company (Holland, 2012).

## 1.2.3 Marketing in nonprofit organizations

Kotler and Levy (1969) were the first marketing academics to realize the potential of broadening the application of marketing to nonprofit enterprises, a suggestion that was ground-breaking at the time. Hannagan (1996) states that nonprofit organizations suffer from limited resources available. This is reflected in the need to set clear priorities and the need to ensure that resources are optimally allocated. Andrersen and Kotler (2013) claim that the adoption of a marketing oriented perspective as well as marketing tools is crucial for nonprofit organization. They described some typical characteristics and differences why marketing in the nonprofit sector is more difficult than the marketing activities in profit sector:

- For marketing makers is very difficult to obtain secondary data regarding customers of organizations and they are hardly able to find out their preferences, behaviors, characteristics, access;
- It is not easy to obtain data from customers and provide demonstrable marketing research because customers are forced to respond and react to the topics and issues that are controversial;
- A common problem for nonprofit organizations is the inability to adapt to the customer with the service or product that organizations offers;
- Due to the complexity of problems that nonprofit is facing, it is necessary that the customer received a large amount of information.

Overall, nonprofit marketing is the remedy to further the goals and objectives of nonprofit organizations. Although advertising, public relations, and fundraising are examples of non-profit marketing tactics, nonprofit marketing also includes a broad array of other activities. Gathering and processing information for decision-making are considered components of nonprofit marketing. Relations with governments, board members, donors, and volunteers are part of nonprofit marketing as well.

Still, nonprofit marketing is a management orientation that helps the nonprofit organization expands its horizon beyond its internal operations and programs to encompass the external world that affects the organization. A nonprofit organization that has a marketing orientation is able to focus its various activities and external communications to project a consistent image of itself and influence the way the external world perceives it.

Table 1 presents the nonprofit marketing functions. Andersen and Kotler (2013) suggest that when an NPO has marketing orientation, its various operational units and programs work in a coordinated fashion to:

- a) Further the organization's mission;
- b) Achieve the organization's goals;
- c) Communicate a consistent and focused message to groups of interest (clients, volunteers, donors, public, etc).

**Table 1:** Nonprofit marketing functions (Andersen and Kotler, 2007)

Function	Examples
Attracting funding	Submitting grant proposals to government agencies and
	foundations, conducting annual campaigns and capital
	campaigns, organizing planned giving,
	seeking corporate
	donations, holding special events, etc.
Attracting volunteers	Understanding where to reach potential
	volunteers, what
	message will appeal to them, how to de-
	liver appeal, etc.
Building relationships	Developing and maintaining relationships
	with board
	members, corporations, volunteers, clients,
	donors,
	funding agencies, government, media,
	public, etc.
Communicating	Advertising, publicizing, conducting pub-
	lic relations, reaching clients, maintaining
	government relations,
	carrying out advocacy and education

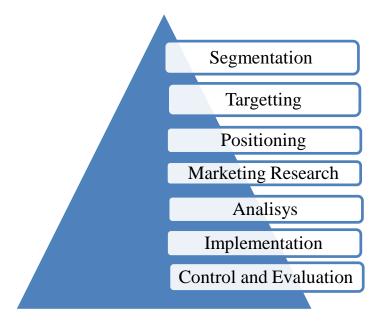
To conclude, marketing concept in nonprofit organizations is a powerful mean to coordinate activities assigned to attract new resources. As it was investigated, the purpose of marketing in nonprofit organization is completely different from commercial marketing whose goal is financial profit maximization. The goal of nonprofit organization is to make some social benefits like education, health, safety, environment and other benefits to individuals and the public. These goals are based on the mission of organization. Internet and social networks facilitate the life of nonprofit organizations due to the absence or low fee.

# 2 MARKETING STRATEGY DEVELOPMENT PROCESS

Marketing professionals in nonprofit organizations or nonprofit marketers develop strategies to help the nonprofit to achieve its strategic goals or in the other words to fulfill its mission. A marketing strategy is a central tool for managing and coordinating marketing efforts. Marketing strategy translates the strategic objectives into specific tasks of defining the time analisys and responsibilities of personnel (Zamazalova, 2010). Undoubtedly, marketing project of profit organization differs from nonprofit one (Kincl, 2004).

It is important to note that these organizations understand that marketing is more than just the old sense of making a profit or obtaining a donation. Marketing is a way of satisfying the consumer and donor needs. Holley and Nicolaud (2011) view the development of marketing strategy at three main levels: planning, creation of company competitive position and the implementation of the strategy. Based on different investigations we propose the process of marketing strategy as per Figure 5.

**Figure 5:** Process of marketing strategy development for nonprofit organizations (adapted by author)



Besides, the ground of any marketing strategy should start from the mission and vision of the organization. Afterwards, it is vital to assess organization's:

- Capabilities both strength and weaknesses which are related to the competition;
- Opportunities and threats caused by environment.

# 2.1 STP process

STP is segmenting, targeting and positioning process, which starts with the understanding of the market by segments. Many factors such as macro-environment, competitors and others are influencing the market. Marketers need to adopt a strategy which takes into consideration factors such as enhancing the competition, educating customer and most importantly, changing the patterns of demands. Examination of these factors has been led to the need of segmenting the market.

Segmentation breaks down the total market for a product or service into individual clusters of customers or segments. In this case, customers who share similar demand preferences are grouped together within each segment. According to Andrew Whalley (2012) STP is used to:

- 1. Segment: determine which kinds of customers exist;
- 2. Target: develop measures of segment attractiveness and selecting one or more market segments to enter;
- 3. Position: design the company's offering and image to occupy a distinctive place in the target market's mind.

## 2.1.1 Segmentation process

Numerous authors published and unpublished case studies attest to the value of segmentation. The history of thinking about market segmentation can be traced back to Smith (1956), who distinguished between strategies of product differentiation and (applying promotional techniques to influence demand in favor of the product) market segmentation (adjusting market offerings in various ways to meet the requirements of different customers in an accurate way. Amstrong and Kotler (2013) claims that the market can be divided into distinct groups of buyers by market segmentation and it is a process to give direction to customer's servers, what kind of products and needs the customer will be satisfied.

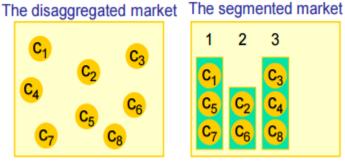
Organizations are successfully using market segmentation in order to reach customers. As Buttle (2008) suggests, market segmentation process can be broken down into a number of steps and continues by naming them as follows:

- 1. Identify the organization's goal;
- 2. Identify relevant segmentation variables;

- 3. Analyze the market using these variables;
- 4. Asses the value of the market segments;
- 5. Select target market(s) to serve.

Burnet suggests the process of market segmentation as it is illustrated in Figure 6.

**Figure 6:** The process of market segmentation (Burnet, 2013)





In the disaggregated market, the characteristics of individual customers are understood. Afterwards, customers are grouped into segments based on having similar characteristics what actually is segmentation. Segment 3 is judged to be the most attractive and a marketing mix strategy is designed for that target market.

Therefore, this means the choices about which variables will be most useful in distinguishing different groups of consumers are the hardest. As such, it is worth examining the common kinds of variables that could be used for segmentation (Burnet, 2008):

- Geographic variables refer to location and include region of the world, continent or country, country size, area size, type and importantly climate;
- Demographic variables essentially refer to personal statistics such as income, age, gender, education, occupation, ethnicity, religion, nationality/race, language and family size;
- Psychographic variables take this a step farther, to segment on lifestyle, attitudes, personality and values;
- Another basis for segmentation is behavior. Behavioral segmentation classifies organizations and individuals into categories based on how they act or behave towards products. One common classification under this category is benefits segmentation, which involves classifying consumers based on the benefits they seek from the products or services.

By emphasizing a segmentation approach, the exchange process should be enhanced since organization can more precisely match the needs and wants of the customer. Segmentation in the nonprofit environment, may be essential to develop a campaign to drive behavior in all targets rather than a specific audience as in commercial markets.

# 2.1.2 Targeting

In the segmentation process the second stage is market targeting that identifies how many and which customer groups/segments to target. Market targeting means that a marketer has developed a complete profile of the different segments for the market. The role of market targeting is used to select target markets and then choose available methods for the organization (Cant, Strydom 2009). Target markets are those audiences that are most likely to take action on an organization's behalf. The target markets are the priority segments for which an organization ultimately creates its product, position, packaging and promotion strategies. Creating the target market profile goes beyond demographics. It is necessary to understand the values and attitudes of the group and what motivates them, how they make decisions relative to an organization's product, what they read, and who influences them.

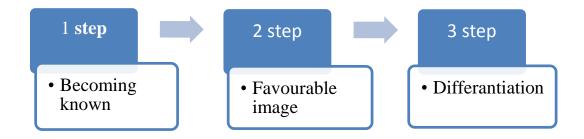
# 2.1.3 Positioning

The third and final step in the market segmentation process deals with positioning. Sergeant (2010) consider positioning with how the customers perceive the products and how the customers define it in order to attract them to organization. The result is a persuasive reason why the target market should choose the product or service. It is the art to project in the mind of consumer's one offer and a differentiated image toward the competition.

Nonprofit organizations usually benefit from being widely known in society. There are many nonprofit organizations and many opportunities for people to contribute to a worthy cause. Kotler (2013) claims that a nonprofit's first task in competing for donations is becoming well known to the community it serves. People are bombarded with commercial marketing messages throughout the day. Nonprofit marketers must define their organizations in this clutter of information. Once the organization has become known, the next task is to influence the public's perception of the organization. Positioning refers to implementing marketing activities aimed at influencing the public's perception of the organization that is developing a specific image of it in the mind of the public.

Figure 7 shows three progressive positioning tasks for a nonprofit. The foundation begins with getting the organization known. Then the image and the public perception of the organization become a greater concern. The emphasis shifts to framing how the public perceives the organization in relation to other similar organizations or in the other words, it is known as differentiation.

**Figure 7:** Positioning Tasks (Sargeant, 2010)



Nonprofit organizations that are most widely known (brand awareness) have a larger pool of potential donors. Positioning activities mentioned previously helps the public to understand organization purpose and how it differs from other NPOs (differentiation) and how the NPO is remarkable (brand personality). Through consistent public relations communications to various audiences, nonprofit organizations establish favorable reputations (brand image) (Sargeant, 2010).

Overall, when identifying the target customers it is necessary to consider the variables of the different types of segmentation. These types are demographic segmentation, geographic segmentation, psychographic segmentation and the behavioral segmentation. The next step is to evaluate the market segments and decide on which segments to direct marketing strategies. The final step is to position the product so the product satisfies the target customers' expectations and desires.

## 2.3 Marketing research

The purpose of marketing research is to determine attitudes and purchasing behavior of customers. Information obtained from marketing research is essential for the company in order to build up the marketing strategy. Marketing research can be defined as the systematic design, collection analysis and reporting of data related to specific marketing situations (Kotler

and Keller, 2013). Marketing research is aimed primarily to understand the current situation in the market.

The process of marketing research

Properly executed marketing research has clearly defined steps that must be met in order to evaluate effective research. These steps are shown in Figure 8.

Marketing research begins with a definition of the problem and research objectives. It is advisable for marketers to know what is the problem that should be solved in the research and which goals need to be achieved. Similarly, it is necessary to determine which information is necessary to obtain from marketing research results. (Zamazalova, 2010).

**Figure 8:** Process of marketing research (Kotler, Keller 2013)



The second step is to prepare the research plan, which lay out a plan for gathering the necessary information and to estimate the cost of research. In this step, it is needed to select the required data sources, methods and research tools, research sample size and methods of research.

In the third step, marketers should collect information about the methods chosen for the selected research sample. This is generally the most expensive and risky part of the research (Kotler, Keller, 2013).

Data and information analysis are also important. It is tested by hypotheses and assumptions, after all calculation averages and deviations of the main variables are requested (Kotler, Keller, 2013). Based on the analyzed data and analyzes created by marketers, the final report

and preparation of recommendations for solving the problem are provided. Based on these recommendations, the decisions of managers are made.

# Marketing Research Methods

Marketing research is a comprehensive analysis and there are many types and methods how to conduct marketing research. Methods vary based on the purpose and objectives of the research. Properly chosen method should also appropriately correspond with the target group. Data in marketing research is divided into primary and secondary. The primary research is when organization collects information from customers and respondents. Secondary research then arises if the new data is not collected but research is based on an analysis of existing data that was collected in the past by other companies, marketing agencies, organizations, etc. Examples of secondary data are annuals, databases, journals, reports statistical offices etc. (Baines, 2014).

Other types of research methods are qualitative and quantitative. Quantitative research methods are used with a purpose to quantify problems. Most often it corresponds to the type of questions "How much?" This research captures the largest and most representative sample (Kincl, 2004). The commonly used qualitative methods are written or personal interviews. Qualitative research on the contrary, answers questions "Why?" and it identifies the reasons of people's behavior and motives. The disadvantage of this method is financial and time demands. The indisputable advantage is deeper understanding and greater significance of the findings. The most commonly used qualitative methods are interviews and observation (Baines, 2014).

# 2.4 Branding and communications tools

Branding is a topic of major importance for nonprofit managers. Strong, favorable brand provides advantages for orgnizations. The most widely known organization have greater credibility because people already know about the organization and its mission. Brand refers to the name, logo, and symbols that uniquely identify an NPO and distinguish it from other organizations. Laider-Kylander (2013) describes a conceptual framework designed to help nonprofit organizations to build a brand. According to her, framework the nonprofit Brand IDEA. IDEA stands for brand *integrity*, brand *democracy*, brand *ethics*, and brand *affinity*.

Communication is a key marketing activity that enables the organization to achieve brand awareness. Nowadays due to innovations, nonprofit organizations may use bunch of channels to spread a word about their existence amongst public and gain trust from them. Most marketing strategies employ a combination of communication methods and platforms, including website, direct mail, email, social networking, fundraising events, strategic alliances, public relation and media, word of mouth, etc. Holland (2013) suggest the following communication tolls that will be effective to use for nonprofit organizations: website, social media, emails, events, strategic alliances and word of mouth.

Website. In today's technology driven environment, a website serves as the natural hub of all the organization's marketing, branding and communications activities. Organizations without a well-designed, attractive and dynamic website will instantly lose credibility when donors or volunteers visit them online. The website presents almost limitless possibilities for interacting with the group's current and future donors, volunteers and clients across all generations. For example, website provides access to the most recent issue of monthly e-newsletter, annual report, survey results, press releases, articles, statistics, benchmarks, information about upcoming events and other data that is critical information to target audience. (Patterson 2009).

*Social Media*. This word is heard everywhere today. Social media tools such as Twitter, personal or organizational blogs, Facebook, Linkmen, YouTube and others are drawing tremendous attention from the nonprofit community because they are inexpensive platforms that are powerful drivers of viral marketing.

*Emails*. Emailing enables to focus on the exact targeted audience. Zamazalova (2010) suggests that unlike a website, the use of direct mail and e-mail enables a nonprofit to take a proactive stance with a well-defined audience carefully chosen by them. While direct mail marketing is still a strong branding tool, the cost of printing and postage has encouraged organizations to turn to e-mail as a superior alternative. Organizations can promote events; send invitations for events or just gratitude a donor via email (Laider-Kylander 2013).

*Events*. The events enable the organization to demonstrate their value, build personal relationships and momentum among their supporters. Organization can tweet about a program, including all the details on the website and Facebook page and send e-blasts to the targeted audience, linking to the website for easy on line registration. Local community calendars are

available on line, in local papers, on local TV and radio programs. However, once the organization chooses to approach events, it should strive to create an atmosphere that highlights organizations mission, vision, value proposition and culture (Grau 2012).

Strategic Alliances. It is helpful to establish good working relationships with other key influencers in the same community. By creating strategic alliances with groups and individuals who are leaders in the targeted area, a nonprofit can reach a broader audience with greater credibility.

*Public relations and media.* Unlike advertising, e-mails or direct mail provides the organization with a vehicle for promoting itself, media, radio and TV reference the organization. It has the power of being an independently objective endorsement (Holland 2013).

Word of Mouth. At a recent conference of the American Marketing Association (AMA), some interesting facts was mentioned regarding word of mouth marketing. According to the information at the AMA Nonprofit Conference, word of mouth marketing remains one of the most powerful marketing tools for any nonprofit organization. Despite all the discussion about e-newsletters, social media, websites and direct mail, people are likely to trust the advice of friends and family rather than to trust advertising-type campaigns.

Based on the communications tools that were discussed above, strategic marketing planners must decide how they will communicate the mission and objectives of the organization in order to reach the target market. The plan should outline which methods to use and to what extent. For example, a group targeting young adults may make heavy use of social networking to reach consumers. A group targeting high-income, middle-aged people may communicate via direct mail or through traditional advertising channels.

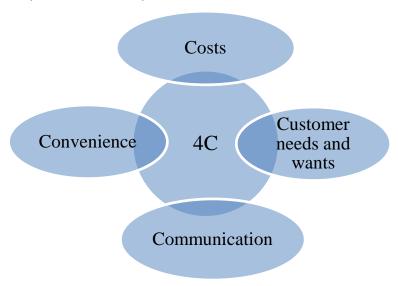
# 2.5 Marketing Mix

In the early 1960s, Professor Neil Borden of the Harward Business School identified a number of company performance actions he believed influenced the consumer decision to purchase goods and services. Borden suggested that these actions represented a "Marketing Mix" which he published in Business Review article. Professor E. Jerome McCarthy then took Borden's work forward and recommended that marketing mix could be summated into four elements: product, price, promotion and place. Thus was codified the famous 4Ps which has become the most known term in marketing. The four Ps have since been extended to the

7 Ps, which include three further elements that better reflect service delivery: People, Process and Physical evidence.

Consequently, marketing mix tends to lead to a product orientation rather than customer orientation. To mitigate this effect, Lautenborn (1996) suggested the 4Cs frameworks, which consider the 4Ps from a customer perspective. They are presented in Figure 9:

**Figure 9:** 4Cs (Lautenborn 1996)



According to Philip Kotler (2012) "Marketing Mix is the set of controllable variables that the organization can use to influence the buyer's response". Marketing mix of nonprofit organization differs from the standard marketing mix of commercial firms. The nonprofit organization places great emphasis on product or service, quality and promotion. Less emphasis it gives on packaging and the price of a product or service. For profit organization is therefore an essential element of the particular product and promotion (Kincl, 2004).

Each organization strives to build up such a composition of 4P's that can create highest level of consumer satisfaction and at the same time meet its organizational objectives. Thus, marketing mix is assembled for keeping in mind the needs of target customers, and it varies from one organization to another depending upon its available resources and objectives.

#### **2.5.1 Product**

The product includes all products and services that a company or organization offers to its customers and clients. For nonprofit organizations this particular product usually is service. Organization places great emphasis on the quality of services. NGOs provide their customers with high quality services to make a solid market position and as a result, the customers will

not switch to another organization. The organization also thanks to the provision of quality services will gain a reputation quality organization and is thus easier for them to obtain funding from sponsors (Kincl, 2004).

#### 2.5.2 **Price**

Price means the amount of money the company required to pay for a product or service. Within this element of the marketing mix, it is also necessary to think about the provision of discounts, rebates payment terms, maturity and others that the company will offer (Kotler, Keller, 2013). For nonprofit organizations, the price of a service or product does not have big emphasis. Most of the time organization provides free services free or charge small price for it.

#### 2.5.3 Promotion

Promotion is the element of the marketing mix that is concerned with communicating the existence of products or services to a target market. Burnett (2002) defines it as the marketing function concerned with persuasively communicating to target audiences the components of the marketing program in order to facilitate exchange. The aim of communication in nonprofit organization is now mainly (Kincl, 2004):

- To inform the public that they exist;
- Inform the public about the mission, aims and objectives of the organization;
- To inform the public of the products or services;
- To inform the public that they can use the services of the organization and what it will bring to them;
- Persuading sponsors;
- To create an image of the organization;
- To change existing attitudes in society.

Communication mix tools of nonprofit organizations is commonly used is public relations. Advertising is often expensive for NPOs. Sales promotion and personal selling, which are the other elements of the communication mix is not suitable for nonprofit organizations. Creating public relations for nonprofit organizations accessible mainly due to lower costs. Public relations can profit organization largely due to media coverage of their activities and engaging in various public events (Kincl, 2004).

## 2.5.4 Place

The place element of the marketing mix refers to how the product is distributed to customers. Distribution belongs to all the activities that allow customers a particular product or service to be purchased. It includes distribution channels, which provide service coverage (everywhere where the product will be available) (Kotler, Keller, 2013). Important to mention that the distribution is the most important element for nonprofit organizations, especially because the organization is often limited by location and is not able to expand its operations beyond.

# 2.6 Implementation, control and evaluation

The last phase of a successful marketing process is implementation. Implementation means that organization is already aware of questions "What should be done?", "When is it going to be done?", "Who will take responsibility?" and "How much will it cost? " (Kotler, Armstrong, 2007). It is suggested to have an action plan as a part of implementation strategy. This plan will enable the company to respond better to market conditions or the marketing activities of competitors (Cohen, 2006).

Control of marketing strategy is conducted to check whether all the activities were performed as planned or whether there was a difference (Cohen, 2006). Marketing control is the process of measuring and evaluating the results of marketing strategies and plans and taking corrective action to ensure the achievement of marketing objectives.

Ryan (2014) thinks that the most important marketing strategy evaluation issues are time, segments of the market and competitors. For application of the strategy, it is necessary to evaluate this marketing complex by descriptive criteria:

- 1. The value for society;
- 2. Risk;
- 3. Compliance with the overall marketing strategy;
- 4. Market reaction.

Mentioned criteria for evaluation of influence encompass internal organization factors: vision, values, competence, image resource, other products and risk propensity inherent in organizational culture, strength and weaknesses.

# **ANALYSIS**

# 3 ORGANIZATION ANALISYS

The next part deals with the analysis of the nonprofit student organization AEGEE and elaboration of its marketing strategy. Firstly, AEGEE Europe as the whole organization will be introduced. Secondly, a subsidiary of AEGEE-Brno, for which subsequently marketing strategy will be prepared.

# 3.1 AEGEE Europe

AEGEE is an international non-profit and non-political student organization. Its full name is the Association des Etats Généraux des Etudiants de l'Europe and it is known as European Students' Forum in English language. AEGEE promotes cooperation, communication and integration amongst young people in Europe. The logo of AEGEE Europe is illustrated in Figure 10.

**Figure 10:** AEGEE Europe logo (www.aegee.org)



# European Students' Forum

The 16th of April 1985 is remembered as the day when AEGEE was born. The foundation of AEGEE was a result of the EGEE 1 conference, which was organized in cooperation with five Grands Ecoles in Paris. The aim of the founders was to create a platform for young Europeans to discuss European matters and present their ideas to both the European and national institutions. Due to the uniqueness of the idea, at that time, EGEE was able to stimulate many students to establish antennae in their cities. The name EGEE is related to the Aegean Sea where democracy was created 2,000 years ago. Due to a name collision with a French company, the name of EGEE was changed to AEGEE in 1988. In APPENDIX III, the history is presented in chronological way.

In 1990, AEGEE had to face a major debate due to major changes in Eastern and Central Europe. The question of the debate was whether AEGEE should limit itself to merely the countries of the European Community (EC), or if it should open itself towards the whole of Europe. The decision of the network was in favor of expanding towards the whole of Europe and the involvement of EFTA countries.

In 1996, the AEGEE headquarters moved to Brussels, giving up their temporary domicile in Delft and bringing AEGEE closer to European Institutions, where it is today.

In 2010, AEGEE took a step forward and went beyond the European borders with its flagship project, "Beyond Europe – Perspectives for Tomorrow's World". Among other events, the project included a Case Study Trip to India and another one to South Africa, with the aim of empowering young people in and outside Europe to tackle the global challenges they are faced with today. Another question that was raised by a project was about the borders of Europe. "Where Does Europe End?", running between 2009 and 2012, was aimed at understanding the picture of Europe in the minds of young Europeans, and starting a discussion about the future of the EU and the continent.

Today, AEGEE has multiple on-going projects, aimed at tackling the challenges that youth is facing today, including mobility, unemployment and conflict resolution. The year of 2016 is the time when AEGEE to think in solution of Refugee Problem in Europe.

As a non-governmental, politically independent, secular and nonprofit organization, AEGEE is open to students and young people from all faculties and disciplines. In 2016 it counts 13 000 members, active in more than 200 university cities in 40 countries across Europe, including Russia, Ukraine, Turkey and the Caucasus, with a European board and head office in Brussels. The map of the AEGEE locals is presented in Figure 11.



**Figure 11:** Map of AEGEE networks (www.aegee.org)

Vision of AEGEE is an equal, democratic and unified Europe, open to all across national borders, which is socially, economically and politically integrated.

Mission of organization is empowering students and young people in Europe to take an active role in society. It creates a space for dialogue and learning opportunities as well as acts as their representative towards decision-makers. Moreover, AEGEE strengthens mutual understanding and brings Europe closer to young people.

The main objective for which the organization was established is to unite Europe and involve young people in European affairs. The purpose of the organization is to create contacts between students from all European countries and contribute to their mutual understanding. AEGEE is based on five activities that make up the organization. They are intercultural exchange, thematic projects, personal development and informal learning space for discussion and advocacy and representation of students. Within these five activities, events and actions are organized that helps attain the goals of the organization.

AEGEE's structure is based on European bodies:

- European Board of Directors working in Brussels;
- Commissions;
- Committees:

- Working Groups, and international Project Teams;
- Local Antennae.

Governing Bodies. All the bodies mentioned above are governed and coordinated by AEGEE's main institutions: the Agora, which is AEGEE's General Assembly, and the executive board of AEGEE-Europe called the Comité Directeur. The Chair is responsible for AEGEE's statutory meetings, the Agora and the European Boards' Meeting.

Commissions and Committees have a supportive role in AEGEE: Committees share much characteristics with working groups, but instead of contributing to AEGEE's fields of action directly, they help the other bodies by providing services, information, infrastructure and materials needed to fulfill their tasks.

Working Groups carry out the thematic goals of AEGEE-Europe described in the Strategic Plan of the organization. Their goal is to ensure that thematic focuses of AEGEE have been fulfilled in the following areas:

- Spreading Europtimism Working Group;
- Youth Employment Working Group;
- Youth Mobility Working Group;
- Civic Education Working Group.

Local Antennae is a name for the branch of organization. There are close to 200 Antennae or local groups, forming the Network in AEGEE. In this Master Thesis, local antenna AEGEE Brno will be annualized as an active part of AEGEE Europe.

### 3.2 AEGEE Brno

AEGEE Brno is a branch of organization AEGEE and it is one of the three antennas that exist on the territory of the Czech Republic. The others ones are in Prague and Pilsen. AEGEE-Brno was founded and currently exists as a civil association. It was founded in 1993 but soon ceased to function due to lack of active members who were in charge of operations of the branch. The resumption of activities by the antenna occurred March 21, 2007. Since that year, the branch operates continuously and each year organizes various events. Recently AEGEE celebrated its 9th birthday. AEGEE Brno logo is introduced in Figure 12.

Figure 12: Logo AEGEE-Brno (www.aegeebrno.org)



# Evropské fórum studentů

AEGEE Brno is led by the committee, which is elected for a period of one year and at the beginning of October. The number of committee members may vary. However, it is essential that the branch has president, treasurer and secretary. For the period 2016/2017, the board team of management consists of President, Secretary, Treasury, IT Responsible, PR and Events Responsible. Branch currently has around 60 members from which around 20 are active. Their number varies slightly every year, mainly for the reason that the membership lasts for one year and after that period it is necessary to renew it repeatedly pay the membership fee. The number of members can therefore vary, but on average the number is about 50 to 65 members.

AEGEE-Brno is a non-profit organization. It is financed mostly from membership fees. The allowance is 500 CZK per year. Other income of organization is ticket sales for the festival rag. However, this amount is negligible and its amount varies according to the number of tickets sold, and cannot be counted on a fixed amount budgeted branch.

The biggest item on the expenditure side is fees that must pay the affiliate management organization in Brussels. This amount depends on the number of members. For each member is required to pay 25% of every membership fee. The advantage of AEGEE-Brno is small costs of operation of the branch. The only mandatory regular expenses include rental fee for web page.

## 3.3 Product

Projects are the main activities and therefore product of AEGEE. Currently AEGEE is dealing with four projects, which are introduced, in Table 2.

**Table 2:** AEGEE projects (www.aegee.org)

Product	Aim
SUMMER UNIVERSITIES EXPLORING EUROPEAN CULTURAL DIVERSITY FOR 25 YEARS	Promote European integration. It is the main tool that AEGEE uses to attain this difficult, but fascinating target.
easternpartnership	To promote the idea of active citizenship and youth participation in the Eastern Partnership program region.
AEGEE Election Observation	Organize observation missions to democratic processes taking place in European countries, offering young people the opportunity to be officially accredited election observers.
DEMOCRACY IN PRACTICE	Raise awareness among young people about the importance of Human Rights in order to promote social and political participation of young people in their local, national and European environment.

However, AEGEE Brno is working only with the project - Summer University. The main aim of this project aims to promote European integration. Summer Universities are events that take place during the summer in most of the cities where AEGEE is present, lasting between 1 and 4 weeks. Understanding and exploring the multicultural dimension of the European continent, tasting its diversity, removing national borders, fighting for tolerance and creating open-minded citizens are some of the reasons why 20 to 50 young Europeans from all over Europe come together for each Summer University.

Every year AEGEE Brno organizes Summer University, which has varies theme each summer. Apart of summer universities organized by AEGEE Brno has the other small project such as network meeting, local training course, cultural events etc. So far, the biggest and the most important event that was organized by AEGEE-Brno is the conference funded by a grant from the Youth in Action program. In summer 2016 team of AEGEE Brno is going to

organize the project "Awake your inner lion! Become a leader!" The themes concern leadership, teamwork and other activities.

## 3.4 Customer Analysis

When doing customers analysis it is important to consider customer's needs and preferences. Customers of AEGEE Brno are university students and youth under 30 years. Theirs primarily requirement is education. In addition, another further requirement could be to gain experience and expertise as a superfluous asset to education. The requirements may be different for students who studying various disciplines. It is likely that students who study humanities will have different requirements than, for example, engineering students.

Based on the selected questionnaires and observations we have identified that potential customer of AEGEE-Brno is a student at Masaryk University, who is not currently a member of the student association or other nonprofit organizations, although he is interested to be involved. The most common reason for participation is the possibility for him to gain experience and develop new knowledge and skills. Most of the respondents answered that the best period of the year for them to search for the information about opportunities to participate in activities is September and October. Furthermore, a significant part of respondents mentioned friends or acquaintances as the persons with whom they are searching for activities. Besides, the most common place for them to find it is through Internet search engines. The potential customers also interested in participating in workshops and they are willing to pay for workshops 300 CZK. On question what is the amount of membership fee will you pay, the most common answer was that respondents would be willing to pay again to 300 CZK.

To summarize, a typical customer of AEGEE-Brno is a university student from Masaryk University, who:

- Has 22 years old and studies humanities at the Faculty of Social Studies;
- Has enough time to spend for other activities;
- Likes to meet new people, traveling and discover new cultures;
- Have sufficient funds to travel at least twice a year abroad.

### 4 EXTERNAL MARKETING ENVIROMENT

Understanding the environment in which organization operates is extremely important. The more organization environment is explored, the more chance for its success. The given circumstances can directly influence marketing strategy and unique service offers. Gaining the knowledge about external market makes the project implementation stronger and achievable. It occurs that the whole project idea can come up from the circumstances.

PESTEL analysis is a tool that helps you to sum up all the information about a market prior to launching company there. PEST tool examines Political, Economic, Social and Technological factors. Detailed analysis of each is presented in this chapter.

#### 4.1 Political factors

The nonprofit sector is an important component in the economic and political environment of every developed country. It balances the pressure of the economic interests of the largest players in all types of markets. Nonprofit organizations are not affiliated with the state and their efforts are aimed at helping all aspects of humanity. The basic motivation of their activities is not a return on investment but is rather goodwill and the desire to help others. Any profits are reinvested into the organization. Local, state and federal laws regulate nonprofit organizations.

AEGEE-Brno is a nonprofit organization and is regulated by such laws as:

- Law No. 89/2012 Coll. Civil Code:
- Citizen-action associations comply with Act No. 83/1990 coll., on citizens' associations, as amended.
- EU legislation.

Nonprofit corporations are exempt from income taxes if they conduct business solely for the benefit of the public. Tax relief for NPOs is usually linked to a specified definition of public benefit, which determines a partial selection of subjects for tax relief within various laws.

According to Czech Statistic website 2016, nearly half the adult Czech populations (47%) are members of citizen-action associations. Czechs are mostly members of sporting organizations (16%), student's organizations (21%) and are others (10%).

The number of men registered in an association is slightly higher than that of women; 53% of men are members of some civil-action group, whereas only 42% of women are registered. Association members usually come from a social group with an average or above-average monthly income. On the contrary, people with low incomes and with limited education, mostly do not register for membership.

Table 3 represents the analysis of political and legal factors in Czech Republic. Overall, the country has stable political situation and supports nonprofit organization.

 Table 3: PEST analysis. Political factors (own source)

PESTLE			Implica	ation		
analysis factors	Note	Potential impact	Time frame	Туре	Impact	Relative im- portance
Govern- ment stabil- ity	Not relevant changes during year which impacts over- all situation in the country	Н	12	N	Increas-	Critical important
High bu- reaucracy	Makes organiza- tion's life harder to get a funds and grants	L	1	N	Increas- ing	Unknown
Admin- istration	Important to have it clear for government	M	3	P	Un- changed	Low important
Tax system	Tax privileges for donors	L	12	U	Un- changed	Important
Legal form of visa reg- ulations	Difficult for non EU members of AEGE to participate in meetings and events	Н	18	P	Decreas- ing	Critical important

Relatively low efficiency of law enforcement and the high bureaucracy characterize Czech legislative environment even though the national legislation harmonized with EU legislation. The occurrence of corrupt behavior reinforces distrust of public (including the business sector) to politicians.

Based on the new Civil Code, which governs the new legislation also civic associations, it is necessary that AEGEE-Brno has made changes to the statutes and the organizational structure of the branch. Equally important is for AEGEE also EU legislation that influences the management of the organization AEGEE-Europe, which is AEGEE-Brno directly linked.

The legislative environment related to dependence on AEGEE visa waiver. AEGEE has branches outside the European Union countries, which is currently being introduced visa requirements. This fact may reduce members of organization.

#### 4.2 Economic factors

The instability of today's economy and the global financial markets holds many repercussions for the nonprofit sector. Fundraising becomes increasingly challenging, as donors can no longer give as generously as in the past. Foundations may be forced to reduce their grant making, and leaders may find it progressively more difficult to sustain their organizations through these complex economic times.

From the countries in central and Eastern Europe, the Czech Republic has one of the most developed industrialized economies. It is one of the most stable and prosperous of the post-Communist states of Central and Eastern Europe. Czech Republic belongs to the most competitive countries in the CEE region (Figure 13). The first place has Switzerland with – GCI 5, 67 and Czech Republic is on 46 place.

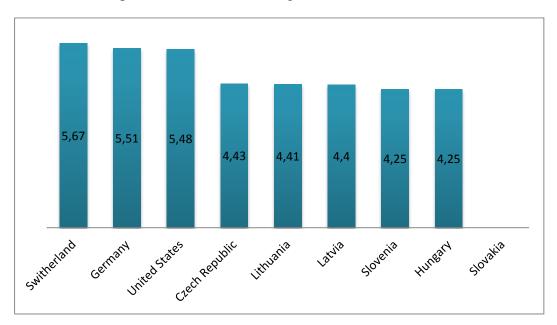
Competitive Advantages: (Rank)

- Trade tariffs (4)
- Prevalence of foreign ownership (5)
- Intensity of local competition (12)
- Business costs of terrorism (16)
- Pay and productivity (19)
- Quality of electricity supply (20)
- Local supplier quality (21)
- FDI and technology transfer (27)
- Local supplier quantity (25)
- Internet access in schools (24)
- Quality of air transport infrastructure (21)
- Capacity for innovation (26)
- Availability of research and training services (26)

- Quality of railroad infrastructure (22)
- Country credit rating (25)

The graphic analysis of the country's competitiveness is illustrated below.

Figure 13: Global Competitiveness Index Rankings (World Economic Forum, 2014-2015)



While the conservative, inward-looking Czech financial system has remained relatively healthy, the small, open, export-driven Czech economy remains sensitive to changes in the economic performance of its main export markets, especially Germany.

Economic growth in the Czech Republic have risen to 4.5% in 2015 on the back of strong domestic demand. As an exceptional boost to growth from EU co-financed investment fades, growth is expected to slow to 2.3% in 2016 before picking up again to 2.7% in 2017. The headline government deficit is expected to fall to 1.1% of GDP in 2016 and then to 1% in 2017 as shown in Table 3.

**Table 4:** Economic indicators European Commission Forecasts for Czech Republic (Czech Republic Report, 2015)

European Economic Forecast Winter 2016				
Forecasts for Czech Republic	2014	2015	2016	2017
GDP growth (%, yoy)	2,0	4,5	2,3	2,7

Inflation (%, yoy)	0,4	0,3	0,4	1,4
Unemployment (%)	6,1	5,1	4,8	4,7
Government budget balance (% of GDP)	-1,9	-1,6	-1,1	-1,0
Gross government debt (% of GDP)	42,7	40,9	40,7	40,1
Current account balance (% of GDP)	-2,0	-2,4	-2,0	-1,9

The table above indicates that in rate of inflation is within the European standards. The impact of regulated prices and taxes is predicted to be broadly neutral over the forecast horizon. HICP inflation was to average 0.3% in 2015 and is expected to rise to 0.4% in 2016.

The Czech Republic's labour market situation improved in 2015, in line with a return to GDP growth following two consecutive years of decreases.

The employment rate (people aged 20- 64) has been increasing and reached 73.9% in the third quarter of 2015 while the total unemployment rate fell to an average of 6.1 % in 2015.

Investment activity grew strongly in 2015, as the domestic environment improved, foreign industrial orders picked up and the government increased its efforts to make use of expiring EU funds. This latter factor is expected to lead to a further acceleration in the growth of public investment in 2016-2017.

It is needed to admit that Czech Republic has the second highest costs of paying taxes in the EU. Tax evasion is widespread in the Czech Republic, particularly in the areas of VAT and excise duties, but a number of preventive measures are currently being implemented. The present situation is that the VAT compliance gap in the Czech Republic increased from 17% in 2011 to 22% in 2012 and was significantly above the EU-28 (all EU Member States except for Cyprus and Croatia) average of 16%.

In Czech Republic, tax relief for NPOs is usually linked to a specified definition of public benefit, which determines a partial selection of subjects for tax relief within various laws. Assignation is another possibility. Tax assignation means that the taxpayer of physical persons' income tax can decide which NPO receives 1-2% of the paid tax. From a fiscal point of view, the tax assignations are another source of funding for NPOs. Unlike in the system of government subsidies, public finances collected by the state are not distributed after parliamentary budget approval, but by the decision of individual taxpayers. Brno region is highly industrialized with the growth of small, medium and big enterprises. They could be potential donors for AEGEE Brno.

The unemployment rates as found in the Czech Statistical Office (2015) shows the average unemployment as of April 30, 2015 in Brno is 5, 7%. This figure is low comparing to the overall unemployment rate in Czech Republic, which is 7.9%. In addition, you unemployment rate is 15.9%.

Economic environment affects AEGEE-Brno in several respects:

- Firstly, due to financial situation of the customers of organization. Mainly because of the financial crisis, students are not willing to travel and be involved in student activities. These factors result in decreasing of members of organization and budget accordingly. Moreover, lack of funding is also reflected in the commercial sector. In poor economies, enterprises reveal less support to non-profit organizations.
- Second perspective is shortage of funds, which AEGEE-Brno has. Currently, the only source of funding is membership fee that are using for the marketing activities of the branch. According to the February 2016 survey of Public opinion research center, 31% of people evaluate the current economic situation in the Czech Republic as good, 40% view it as neither good nor bad, and 26% consider it to be bad. 49% of Czechs evaluate the living standard of their household as good, 15% consider it as bad, and 36% characterize it as neither good nor bad.

#### 4.3 Social factors

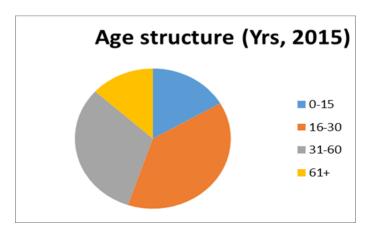
Undoubtedly, the society is continually changing. Any change in the social environment can affect change in demand for the products of the organization. The behavior is not determined only by individuals' properties but is also influenced by the surrounding environment. The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbors and the media are social factors. These factors can affect customer's attitudes, opinions and

interests. Therefore, this can affect sales of product and revenues earned. Amongst social and cultural factors, it is important to analyze the following ones:

- Attitudes toward leisure;
- Friends, colleagues and other opinion leaders;
- Geographical area;
- Social classes;
- Education level;
- Lifestyle trends;
- Media etc.

Youth attitudes towards leisure, education, travelling and desires to meet people from others are some of factors that influence the organization from external side. In addition, people who study at university are more interested to become a member of the organization. Hence, it is important to investigate age structure Brno as per Figure 14.

**Figure 14:** Age structure in Brno 2015, (Czech Statistical Office)



The Figure 14 demonstrates that major part of population in Brno is 16-30 years old youth who is target group of AEGEE Brno.

People's demands are also influenced by geographical area. For instance, member of EU countries have more possibilities to take an active part in the life of organization rather than members from Russia, Ukraine or Turkey due to visa issues and flight connections.

Population changes are also directly affecting organizations. Decline in birth rates mean demand will decrease. It also indicates greater competition as the total consumers fall. Brno has a population of 380,000 and 90,000 students making Brno a dynamic city and a cultural

hub of Moravia. Unemployment and disposable income do not have critical influence on students, as the fee to participate in the organization activities is low and affordable even for students with not high income. Social factors analysis is introduces in Table 5.

 Table 5: PEST analyses. Social factors (own source)

			Implication			
PESTLE analysis factors	Note	Poten- tial im- pact	Tim e fra me	Туре	Impact	Relative im- portance
Attitudes toward lei- sure	Consciousness of the youth about the importance of having healthy leisure with people from different countries, enjoying sharing ideas and view, can have positive impact on organization.	M	24+	U	Un- changed	Important
Geograph-ical area	Members of AEGEE Brno have more opportu- nities to travel comparing to the ones from non EU countries	M	24+	U	Un- changed	Important
Social classes	Middle class is willing to spend more travelling	L	24+	U	Un- changed	Low important
Education level	University students are motivated more to be a part of organization.	M	24+	U	Increas- ing	Important
Lifestyle trends	People who prefer to take an active role in the soci- ety	M	24+	P	Increas- ing	Important
Population size	Reducing the population amongst youth will affect organization significantly	M	24	N	Increas- ing	Important
Unem- ployment	Increasing the unemployment rate amongst youth, the organization will lose customers	M	6	N	Increas- ing	Low Important
Age struc-	Youth between 16-30 are	M	12+	N	Increas-	Important
Media	the main target audience Significant impact on students' attitudes towards events, meetings and summer universities.	M	24+	U	Increas- ing	Critical Important

Media is crucial factor for the members of organization to be updated of the life of organization. Social networking sites like Facebook, Twitter, Instagram and YouTube have become the most efficient channels used to communicate with youth. The younger generation prefers to use digital technology and search for everything online. The social factors shape who we are as people. It affects how we behave and what we demand.

Events that take place in Brno also have impact on the organization. It is important to be aware about these events and be present there in order to find sponsors and promote organization in Brno. Therefore, information about upcoming cultural activities in Brno is useful to develop marketing strategy. The following cultural events are expected to take place in Brno, 2016 (Source: www.gotobrno.cz):

- 1–28 June Concentus Moravie;
- 6–11 June Street Theatre Festival;
- 16 June–30 October Brno Biennale International Biennale of graphic design;
- 21 June European Music Fest;
- June–September Summer at the old City Hall;
- July–August Summer Shakespeare Festival Brno;
- 12–14 August Brno Day;
- 16–27 August Spilberk Festival;
- 5–15 October International Jazz Festival;
- 25 November–23 December Brno Christmas.

To conclude, social environment significantly affects the organization's activities. As a result, it has a great impact on student's attitudes regarding education and leisure time. Youth are more aware that it is often requested from them apart from studies to be engaged in various activities and get practical experience and skills.

# 4.4 Technological factors

The evolution of social media allows people to freely network from around the world. They can easily connect online to exchange ideas, advice and information. Technological factors represent:

- Global networking via Internet;
- Technological innovations;

- Support from structural funds;
- Information and communication.

Internet has enabled AEGEE Brno to network regardless of distance and time zones. All of the antennas of organization have their own web page. For instance, for AEGEE Europe and AEGEE Brno have web are:

- http://www.aegee.org/
- http://www.aegee-brno.org/

It means that the Internet technologies are widely used by the nonprofit organization as the remedy of effective online communication. All the information for potential members, students, and partners is placed on the web page. Moreover, due to social media such as Skype, Facebook, WhatsApp and others, it is easier for working groups to organize projects either inside country or between different countries. Evaluation of technological factors are presented in Table 6.

**Table 6:** PEST analysis. Technological factors (own source)

			Implication			
PEST analysis factors	Note	Poten- tial im- pact	Time fram e	Туре	Impact	Relative im- portanc e
Technol- ogy inno- vation	Boost awareness of the online products	L	24+	P	In- creas- ing	Low important
Infor- mation and com- munica- tions	Placement of information in Internet and development of effective communications via social media and web site can increase costumer's loyalty and reduce expenditures	M	24+	P	In- creas- ing	Critical im- portant
Donation enabled online	Businesses or panthers may contact the organi- zation easier	M	12+	P	Un- change d	Im- portant

Technology development greatly influence a business, therefore PEST analysis is conducted upon these factors too.

## 5 BENCHMARKETING

Competitors of AEGEE Brno are others students organization. Regarding the possible competition from other Czech branch of AEGEE, it is likely that AEGEE-Praha or AEGEE-Pilsen has targeted the university in Moravia. However, currently none of these antennas do not develop marketing activities in a different city than the one in which they are situated. Therefore, according to the current marketing situation, there are three main competitors of AEGEE Brno: ISC MU Brno, AISEC and Be International. The comparative analysis in accordance to significant factors is presented in the following comparative.

International Student Club MU Brno (ISC MU Brno) is a nonprofit and nonpolitical student organization established in summer 2003 in order to help exchange students coming to study at Masaryk University (MU) in the new setting. In August 2004, ISC Brno became part of Erasmus Student Network (ESN). To become a member it is needed to pay registration fee, which is 500 CZK per year for exchange students (for the holders of valid ESN card during the whole stay is registration fee 300 CZK and 100 CZK per year for degree students at the MU. Throughout the semester, ISC organizes several activities for the exchange students. Their main aim is to promote better involvement of the exchange students in Czech student society and the local cultural life. The main pillars of activities are: trips, language courses, sports, parties etc.

Be International is a broadcasting organization European Voluntary Service (EVS). This program allows young people to participate individually or in groups to volunteer projects in the EU and EU partner countries. Projects with a length of 2-12 months are focused on culture, children and youth, sports, social welfare, arts, ecology, human rights, public policy and other topics. The EU will cover 100% of the cost of accommodation, spending money and 90% of the fare. A volunteer can be any young person aged 18 to 30 years old who has permanent residence in the Czech Republic in another partner country.

AIESEC is an international nongovernmental nonprofit organization that provides young people with leadership development and cross-cultural global internship and volunteer exchange experiences across the globe, with a focus to empower young people so they can make a positive impact on society. The AIESEC Brno includes 350 active members. In order to participate in AIESEC projects there is free 5000 CZK and minimum duration of participation is 2 month.

Based on information above, the Benchmarketing was conducted for AEGEE Brno (APPENDIX IV). Determination of how well or poorly an organization is doing with respect to the leading competition helps to create more productive marketing strategy.

## 5.1 Benchmarketing conclusions

Overall, in comparison with three competitors, including: ISC MU Brno, AISEC and Be International, AEGEE Brno still has high score and should improve some major and minor weakness in marketing mix to become more competitive in market. The strongest competitors in current marketing situation is considered to be AISEC. The main difference between them is analyzed as following:

Scope. While AIESEC focuses on the entire world, AEGEE is focused only on Europe.

*Product.* Primarily products of AIESEC are internships whereas AEGEE-Brno offers to its member's informal education and the opportunity to travel.

*Membership fee.* The amount of the annual membership fee in AEGEE-Brno is 500 CZK; and AIESEC potential member should pay 5000 CZK for entry into the database of applicants for an internship.

Duration of the program. Internships within AIESEC last at least several months while the longest project in AEGEE is has the duration of 14 days.

Potential new competition. The threat of entry of new competitors is relatively high; nevertheless, it is unlikely that there will appear a new direct competitor AEGEE-Brno. Mainly due to the specific product that AEGEE offers. The emergence of new travel agencies will not be considered as appearance of new competitors.

Particular recommendations to AEGEE Brno are:

- To reveal potential that lies within product and promotion categories in order to fix some shortcomings in communication;
- Product diversity this is to say that AEGEE Brno should start to provide long term activities.

### 6 MARKETING RESEARCH

#### Background

Currently AEGEE-Brno has about 60 members, including 15 active members. In order to become a member, it is required to fill in the online form and transfer a fee. The number of active members is relatively small and results in reducing the activity of the organization. If there will be more members, the more activities and events AEGEE-Brno could organize. At present moment, a member of organization has in average 1 year and three month. This is a short time to pass on knowledge and motivate members to participate in the activities of organization. Both members and management team of AEGEE has joined the organization voluntary, by theirs own choice.

During the last 6 month AEGEE-Brno has spent for marketing nearly 1 000 CZK. In case AEGEE-Brno extends the scope to other cities and continues promotion either through social networks or possibly on the websites of individual universities, the costs would not necessarily grow highly. However, if to take into the account that so far the most proven way to inform potential new members about the activities of AEGEE-Brno are informational meetings, then expenditures will greatly increase because of travel expenses. The best solution would be to use members who are already active in that region. Although at the present time, it cannot be realized because of lack of outstanding members. The limited resources of AEGEE-Brno do not allow to pay for marketing activities lease or rewards to members.

#### Introduction

The research was conducted amongst representatives of the target groups of AEGEE-Brno who are young people aged 18 to 26 years who mostly studies in Brno. The questionnaire was distributed online mainly through the social network Facebook and was placed into the study groups of the Brno universities. Furthermore, the questionnaire was also published on portal of Masaryk University.

Hence, based on the answers of the research, it will be possible to create a marketing strategy for AEGEE-Brno. Respondents are divided into four categories:

- Current AEGEE-Brno members (I category);
- Members of others student associations (II category);
- Students who consider being involved in associations (III category);

• Students who aren't consider being involved in associations (IV category).

A substantial group of respondents is third category, namely students who are not members, but consider involvement. They had made up target group of AEGEE Brno.

#### Research objectives

The objective of the survey is to determine the factors that influence on university students in Brno choosing of associations or nonprofit organizations. Four questions were identified to be answered in order to evaluate student's attitudes towards organization:

- Which period of the year students are likely to search for associations to get involved in?
- What are students expectations concerning membership fees?
- What are the channels students get information from about clubs or organizations?
- If respondents are interested in workshops focused on developing skills and knowledge?

#### Results

The survey has generated 178 responses. However, because there was initial filter to the questionnaire, most of the analysis is focused on 136 students (76% of total responses), including 96 respondents from Masaryk University students, 14 – from University of Technology and 14 students of Mendel University. 109 respondents were women and 27 men. The average age of respondents was 22.8 years. There were 15 answers from AEGEE Brno members and 14 answers from other relevant student organization. 30 respondents represent the category of "students who never considered involvement into the student associations" and 60 respondents are from the category of "students who considered about the engagement."

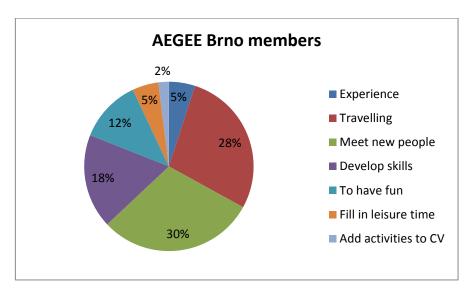
Data is cleaned from respondents who are currently members of the student organization with different focus than AEGEE. For example, Scout associations, Muni, Larp and Pearls. This research only includes organizations that are international in scope and their members have the opportunity to travel within the organization.

#### **Profiling**

Based on the research answers marketing strategy will be proposed. The questionnaire is presented in APPENDIX V.

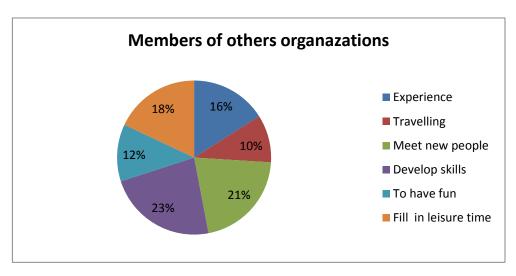
In terms of what are the reasons that influence on students decision to be involved in associations, respondents who are already members of AEGEE-Brno stated that the reason for theirs membership were to meet new people (30%) and the opportunity to travel (28%). 18% of respondents voted for the opportunity to develop knowledge and skills.

**Figure 15:** Factors that influence on AEGEE Brno members decision to get involved in some associations (own source)



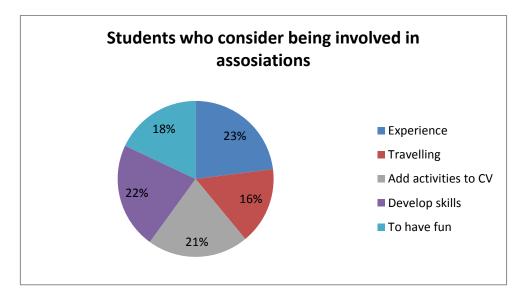
Members of others associations reported as the primary reasons for membership are development knowledge and skills (23%), meeting new people (21%) and filling leisure time (18%). Travelling (10%) is the least important item for them.

**Figure 16:** Factors that influence on members of others organization decision to get involved in some associations (own source)



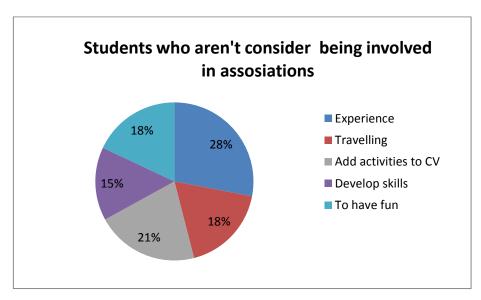
Students who consider being involved in associations have chosen as a reason the possibility of gaining experience (23%). However, it is visible from the Figure 17 that the answers do not differ substantially.

**Figure** 17: Factors that influence on students decision who consider being involved in associations (own source)



Respondents in the last category stated that they would like to join to the association or organization in order to acquire experience (28%) and the opportunity to enroll the activities to resume (21%) as the major causes.

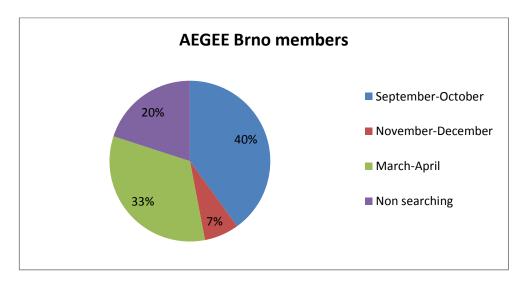
**Figure 18:** Factors that influence on students decision who aren't consider being involved in associations (own source)



The period of the year students frequently are searching for being involved in NGOs was also assessed as per Figure 19, 20 and 21. This information will help to create marketing strategy for the appropriate period of the year. It will help to make an advertising of events only during the months, which will attract new members to organization.

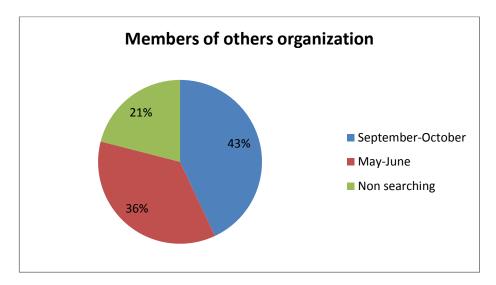
Members of AEGEE-Brno frequently are searching for information about different association in September in October (40%). On the second place is the period from March to April (33%). This is logical because during April members of AEGEE have the possibility to apply for the AEGEE largest project – Summer University. Only 7% of respondents mentioned November and December, it is likely that during this month's students are busy with studying.

**Figure 19:** Period of the year in which AEGEE Brno members were searching for being involved in associations (own source)



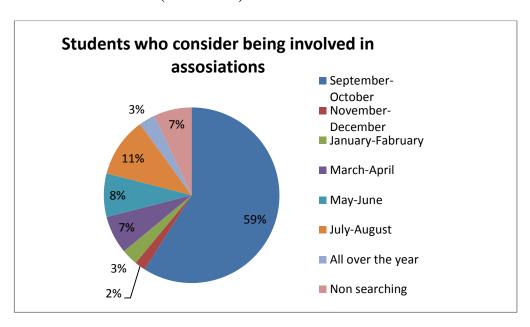
Members of others students associations are also looking for the information about some activities in the period from September to October (43%). Besides, in May and June 36% of students would search for information about activities for summer to do as well. Nevertheless, a big percentage (36%) of respondents mentioned that they are not even searching for other associations to be involved.

**Figure 20:** Period of the year in which members of others organization were searching for being involved in associations (own source)



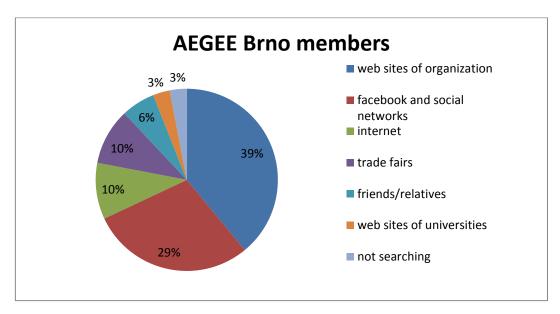
Respondents who are not members but thinking about involvement also stated the period from September to October as the one to start to find social activities (43%). The second most frequent answers in this category of respondents were period from July to August (11%) and the ones third from May to June (8%).

**Figure 21:** Period of the year in which nonmembers' students are searching for being involved in associations (own source)



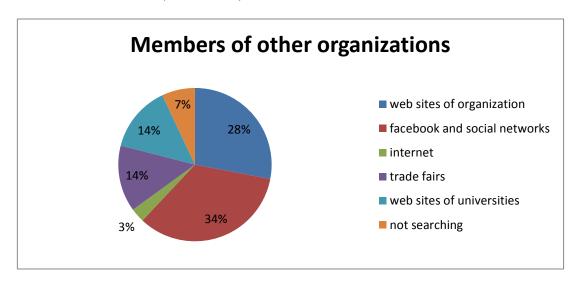
Concerning the place where, AEGEE Brno members search for information about social activities, web site of organization has 39%, following by Facebook and social networks 29%.

**Figure 22:** Channels where AEGEE Brno members are searching for information about social activities (own source)



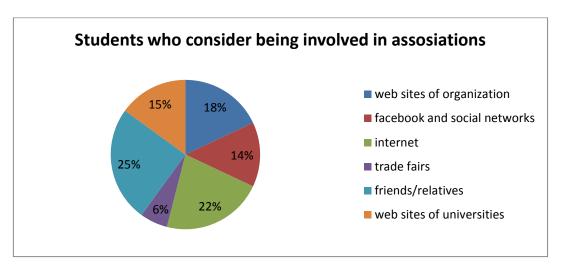
Members of others student associations also stated Facebook and other social networks (34%) and web site of organization (28%) as the ones they search for information the most frequently. Not on the last place are website of universities (14%) and trade fairs (14%)

**Figure 23:** Channels where members of others organization are searching for information about social activities (own source)



Respondents who are not members of the association but thinking about involvement listen to the advices to theirs friends and relatives (25%), find information through Internet (22%), in web sites of organization (18%) and in web pages of universities (15%).

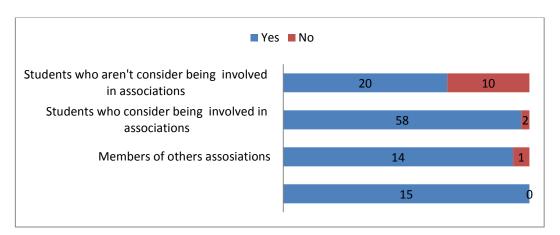
**Figure 24:** Channels where students who consider being involved in associations are searching for information about social activities (own source)



Workshop focused on skills and knowledge development is a new product with which AEGEE-Brno wants to recruit new members and spread the word about its existence. Answers to this research question will therefore be decisive for future draft marketing strategy.

Both members of AEGEE-Brno and members of other organizations replied that they would be definitely interested in participating in the workshop.

**Figure 25:** Interests in workshop on developing knowledge and skills (own source)



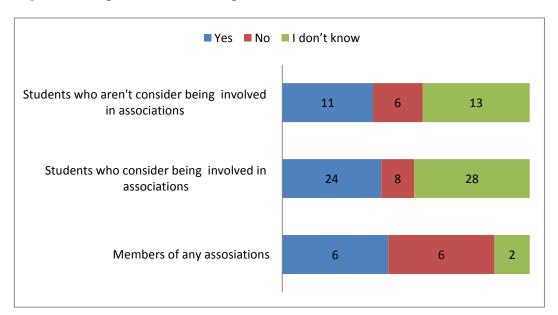
50 respondents who are not members but sometimes consider membership accepted participating in the workshop. The largest amount of negative responses was in the last category of respondents; specifically 10 persons rejected the opportunity to attend the workshop.

The respondents were also asked about the amount they are willing to pay for participation in a workshop. Members of AEGEE-Brno and respondents of the third category would be

willing to pay 101 - 300 CZK. Members of other organizations and respondents from fourth category would be most willing to pay up to 100 CZK.

In order to become a member of AEGEE Brno it is required to pay fee 500 CZK per year. This amount also is source of income of organization and declined in the directives of organization. Therefore, it is not possible to reduce it. Nevertheless, the answer to this question will give us the information whether the amount of membership influence on students' decision to engage in AEGEE Brno or not.

Analyzing the answers in all categories, the answer "No" is not decisive and takes the smallest part. Thus, it is found that the amount of the membership fee to some extent influence the decision of the respondents whether join association or not. However, it is also visible that the possibility "I don't know" takes the largest part in almost all categories. Therefore, there is a scope for influencing these students and convince them that the amount of the membership fee is reasonable considering the benefits of membership.



**Figure 26:** Aspects of membership fee to be involved or not (own source)

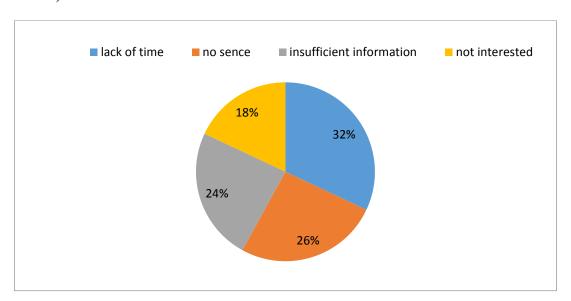
The members of AEGEE-Brno and respondents who do not think to join the associations responded that they are willing to pay for an annual membership fee in the range of 301 – 500 CZK. Conversely, members of other associations and those who consider enrollment, frequently chose option of 101 - 300 CZK for an annual membership fee.

Figure 27 illustrate factors that influence on respondents decision on not joining clubs /organizations. This question is answered only by respondents who are not members of the association or organization and has never been considered in similar types of activities. The

aim of this question is to find out whether it is possible to them of the advantages that AEGEE Brno offers.

32 % of the respondents stated such a reason of not being interested in joining associations/clubs as lack of time, insufficient information on how to participate -26% and no sense -24%.

**Figure 27:** Factors that influence on respondents decision on not joining organizations (own source)



Based on these results, it is observed that it is possible to focus on the respondents who said they do not have enough information. If they are well informed they may decide to engage in any association or organization. Similarly, one could convince the respondents who said that they see no reason. If they were presented the reasons and benefits that membership offers likely they would join.

Based on the survey and figure 28, the largest share of respondents who are currently a member of any association or organization is studying at the Mendel University. However, our target will be Masaryk University as it has the largest share of respondents who are not yet member, but consider involvement.

Students who aren't consider being involved in associations

Students who consider being involved in associations

Members of any assosiation

Members of any assosiation

Mendel University

17

5

3

5

2

4

9

**Figure 28:** Students of which universities are involved the most in student organizations (own source)

#### **Conclusions**

Marketing research was conducted in order to create a marketing strategy. Useful conclusions are suggested:

- 1. The reasons that have led respondents to participate in organizations differ slightly among the current members of AEGEE-Brno and with members of other associations. While members of AEGEE-Brno has been involved into an organization mainly because of the opportunity to travel and meet new people, members of organizations did it primarily due to opportunity to develop their knowledge and skills.
- 2. Majority of the respondents stated September-October as period of the year they search for information about different social activities to take part in.
- 3. The bottom line is also information regarding the interest of workshops that AEGEE-Brno wants to offer. Among the total number of respondents, it was found that 90% are interested in similar activities and would like to attend them. And only 10% of respondents aren't interest in workshops.
- 4. An important finding is that 98% of target group, namely respondents who consider engaging are interested in workshops. This is an opportunity for AEGEE-Brno to take advantage of this product in order to attract new members.
- 5. It would be also interesting to know whether the motives and views on membership involvement in associations or organizations depend on the field of study. However, this cannot be observed from our survey because of insufficient differentiation of fields of study respondents. The vast majority of respondents are from Economics department.

### 7 SWOT

#### 7.1 Internal evaluation factors

Internal factors are the factors that can have an influence upon the organization from the inside. They are divided into strength and weaknesses. One of the major strength of AEGEE Brno is the project Summer University. It is a project that combines all the essential elements that AEGEE deals: travel, intercultural exchange, non-formal education. Thus, Summer Universities are the biggest attraction for potential new members. Additional strengths are international scope of the organization and voluntary. The organization is managed by volunteers who join the organization by theirs own motives and beliefs.

One of the major organization's weaknesses is lack of fundraising and the only source of income is membership fees. As a result organization does not have own office. Thus, all appointments and meetings as well as document storage require assistance from members. Another weak side is undivided responsibility and authority among the active members of the branch. The reason is the inability of students to pursue work in AEGEE-Brno as full time. The lists of internal factors are presented below.

**Table 7**: Internal Factors evaluation (own source)

	Internal Factors	Weight	Rat- ing	Weighted score
	Unique product	0,2	3	0,6
	International scope	0,13	4	0,52
	Summer University and wide range of	0,1	4	0,4
S	projects and programs			
Strengths	Volunteers	0,1	3	0,3
.eu	Management of the branch members are	0,05	3	0,15
Stı	representatives of the target group			
	Total	0,58		1.97
	Lack of awareness about the organization	0,07	2	0,14
	Insufficient fundraising	0,13	1	0,13
<b>70</b>	Poor transferring of knowledge between	0,07	2	0,14
SSE	members			
nes	Not enough active members	0,04	2	0,08
Weaknesses	Retained obligations and responsibilities	0,08	1	0,08
<b>⊗</b>	Absence of own office	0,03	1	0,03
	Total	0,42		0,6
	Total weight score	1		2,57

### 7.2 External evaluation factors

External factors are the factors that can influence upon the organization's activities from the outside. Those factors represent opportunities and threats for the organization. The biggest opportunities are working with various sectors such as Masaryk University, others organizations and commercial sectors. Cooperation with the university is a logical step because of large number of students studying there. A big opportunity is also organizing professional workshops and seminars to develop the skills and knowledge that AEGEE Brno can offer to both members and outsiders. Some amount of fee could be charged from participants.

The topics of workshops could be about development soft skills, how to write a resume, how to manage stress etc. Based on marketing research, it was found that students are very interested in this form of education since it is a great opportunity to attract new members.

Changes of legislation in Czech Republic and EU are threat for AEGEE Brno as a civil association. The change may cause, for example, obligations to pay taxes. The threat of extinction of branch may be affiliates because of failure to meet the criteria of the status of the branch or absence of members to manage AEGEE Brno. Another threat that may affect the functioning of the organization is increasing contributions fee to headquarter of AEGEE in Brussels. Currently, the branch is required to pay 25% of every membership fee. The evaluation of external factors is presented in the Table 8.

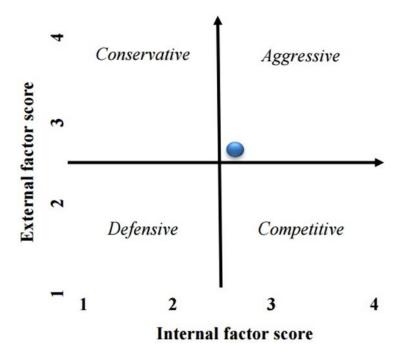
**Table 8:** External Factors Evaluation Matrix (own source)

	External Factors	Weig ht	Rat-	Weighted score
	Cooperation with Masaryk University	0,1	4	0,4
_	Extending the scope to other regions	0,12	4	0,48
nity	Large number of students in Brno	0,08	4	0,48
Opportunity	Obtaining grants from the EU and Czech Republic	0,04	3	0,12
Орк	Workshops on skills and knowledge development	0,09	3	0,27
	Total	0,53		1.75
	Change of legislation for civic associations	0,11	2	0,11
	Extension of visa requirement	0,12	1	0,12
=	Increasing of membership fee	0,1	3	0,3
<b>Fhreat</b>	Reduction the number of students due to imple-	0,09	2	0,18
	mentation of tuition fees			
	Extinction of branch	0,05	2	0,1
	Total	0,47		0,81
	Total weight score	1		2,56

# 7.3 Space Matrix

The results of IFE and EFE matrixes will help to build up Space matrix and determine the type of marketing strategy for AEGEE Brno, which is presented on the Figure below.

Figure 29: SPACE matrix



According to the position of the company in the space matrix, it should pursue aggressive strategy on the market. The organization has strong competitive advantages which might help it to acquire new members. This can be achieved through product proper positioning, intensive promotion and strategic cooperation with partners. The aggressive type of strategy implies the utilization of company's strengths and opportunities in order to gain maximum benefit and achieve the goal.

AEGEE Brno can promote a wide range of programs and Summer Universities on the Website of Masaryk University and also through channels of other student associations so that to reach the target audience. Likewise, it is possible to use the workshops to promote products of AEGEE Brno and expand brand awareness among larger number of students in other regions of the Czech Republic.

The organizations could receive grants from the European Union or other funds because of highlighting its international scope of and usage a unified visual identity, which is important especially when applying for grants from the European Union. The possible strategies are presented in the Table 9.

**Table 9:** S-O Swot matrix (own source)

Strengths/Opportunities	1.Cooperation with Masaryk University 2.Extending the scope to other regions 3.Large number of students in Brno 4.Obtaining grants from the EU and Czech Republic
	5. Workshops on skills and knowledge development
1.Unique product	Suggested strategy:
2.International scope  3.Summer University and wide range of projects and programs  4.Volunteers  5.Management of the branch members are representatives of the target group	SO1 Promotion of programs, summer universities and unique product through cooperation with universities and other associations  SO2 Using the international scope of the organization and a wide range of programs to receive grants from the EU and the Czech Republic  SO3 Involving Volunteers and members of the Management team into organization of workshops on skills and knowledge development  SO4 Usage of existent partnership to expand the scope to other region

Marketing partnerships have a number of benefits to push a marketing campaign. For beginners, when collaborate with someone else, organization tend to deliver better content.

The suggested above marketing strategy, recommend to research customer needs, develop winning brand propositions for different target segments and communicate them effectively. Sometimes it takes a lot of time and effort to develop and maintain a marketing campaign that resonates with intended audience.

# 7.4 Quantitative strategic planning matrix

In order to prioritize the selected strategies from the perspective of internal and external environment the quantitative strategic planning matrix is used (APPENDIX VI). Based on the results of QSPM, the SO strategies are prioritized as follows:

- 1. Promotion of programs, Summer Universities and unique product through cooperation with universities and other associations;
- 2. Involving volunteers and members of the management team into organization of workshops on skills and knowledge development;
- 3. Using the international scope of the organization and a wide range of programs to receive grants from the EU and the Czech Republic;
- 4. Usage of existent partnership to expand the scope to other region.

### 8 PROJECT OF MARKETING STRATEGY

The project of marketing strategy includes marketing activities and strategies to promote itself amongst university students in Brno. The main emphasis will be on the strengths of the organization in order to take advantage of the opportunities it is offered.

Strengths are mainly programs and projects that AEGEE Brno offers its members. As part of the marketing strategy, therefore opportunities for involvement into projects will be communicated. However, to keep the budget of marketing activities that has been established, it is necessary to choose other forms of promotion than paid advertising.

The ideal way is to promote AEGEE-Brno and its activities through the organization of various events. Given the organization's focus on formal education and the students' interest, the workshops on skills and knowledge development will be provided. The advantages to enhance brand awareness, gain new members and possibly to get funding from participants in these seminars, which will be paid by outsiders AEGEE Brno. Another advantage is the promotion activities of the branch during these workshops.

# 8.1 Strategic objectives

Marketing strategy objectives of AEGEE Brno can be defined based on SWOT analysis. The essence of its existence is not gaining a profit but attracting new members into the activities of the association. Hence, the main objective of AEEGEE Brno is to involve at least 100 new members within the period of two years. Additional goals that will assist in full filling the primary objectives are:

- To organize at least 8 skills and knowledge development workshops and at least 5 informal meeting for the members;
- To apply for a minimum of two grants from EU funds and Czech Republic;
- To develop cooperation with of Masaryk University;
- To contact least two others students organization regarding cooperation over 1 year;
- To publish minimum six articles about the events in AEGEE Brno and its actions;
- To participate in at least four NPOs fairs and student associations meetings;

All the targets are therefore controlled by SMART rule that means that they are measurable, realistic, time-bound, specific and acceptable.

Promotion of strength and opportunities will be the main means to achieve the marketing strategy goals of AEGEE Brno, which are mentioned above. The ideal way to achieve these marketing goals of AEGEE Brno is promotion of its activities through the communication channels and various events. That is why the following strategies are recommended:

1) Enhance brand awareness for the AEGEE Brno: increase the number of promotional channels and promotional activities.

The company is strongly recommended to increase its activeness in digital space – first of all, because in most cases it is free and needs just time and effort, and secondly because the more points of contact with general public is the better. The possible advantages are spread brand awareness, gain new members and also get funding from participants in these seminars.

Undoubtedly, event management and event participation are also important. Brno region hosts bunch of events and AEGEE Brno should be presented on such events.

2) Developing loyalty programs for the members.

It is needed to consider direct marketing activities in the strategy as well. Direct marketing means treating different audiences differently – and it is correct to give more recognition to the key audiences of customers who are more loyal towards brand (AEGEE members). AEGEE membership card is currently the only remedy to get some discounts. However, it is suggested including more places where this discount will be valid:

- Cafes, restaurants;
- Clubs, cinemas:
- Museums:
- Student Agency busses/trains;
- Books shops.

The advantage of discount card is also that members can spread this information amongst theirs friends/colleagues and in such way motivate them to join AEGEE Brno.

3) Create an appropriate image of AEGEE Brno in public perception

Participation in NGOs fairs and students' association meetings are efficient way to reach the target audience as well as cooperation with Masaryk University.

## 8.2 Marketing mix

#### 8.2.1 Product

According to the research, it was discovered that 90% of respondents are interested in the opportunity to attend development of knowledge and skills workshops. Therefore, on the one hand this is an opportunity for students to learn something new and from the other hand it is also an opportunity for the organization to promote their work and raise awareness of its existence.

The topics of workshops will be various. As it was found in survey, most of the respondents are tend for the topics of how to write a successful resume, how to be prepared for an interview, how to master first job, what to pay attention on for when signing employment contracts etc. Furthermore, respondents have answered that they would be attracted also in workshops on personal development such as stress management, assertiveness, leadership, time management etc.

Presenters of these workshops will be people from nonprofit organizations such as Folder, ACSA - Academic Centre of Student Activities or CASP - Czech student association of psychology inasmuch as they are experts in given topics and can deliver more knowledge to the audience. Cooperation with professors from Masaryk University is also included.

The workshops will be held an hour and a half, once per month during the period from October to June. It should be organized regularly, for example, on the first Wednesday of the month from 17 until 18:30 pm so that participants could get used to the regularity and possibly customize personal time.

Knowing the fact that there are many foreign students in Brno, these workshops will be presented in English. For attracting foreigners living in Brno, the promotion will go through the Center of International Studies. At the same, event on the Facebook page will be managed directly by AEGEE-Brno and in all promotional materials for the workshops will be mention AEGEE-Brno as the organizer of the seminars.

### **8.2.2** Price

The price of one workshop will be set at 150 CZK. This amount is based on the answers of respondents. This price includes rent of premises and reward for the coach. This fee will apply to non-members of AEGEE-Brno. However, members of AEGEE Brno will be privileged to attend these presentations free of charge. It will motivate guests to become a member of AEGEE. Membership fees will not be edited since it is currently set to the minimum possible amount 500 CZK per year. Furthermore, based on the marketing research, the amount of the membership fee is not a decisive factor for student's involvement into organization.

#### 8.2.3 Promotion

Facebook is a powerful main promotion tool of AEGEE Brno that builds a relationship with the customers through dialogue. At present time, 1482 people have liked Facebook page of AEGEE Brno. The advantage of this communication channel is the ability to interact with participants. It is also considered to promote presentations via targeted ads that Facebook offers. However, this option is good if there are sufficient funds in the budget. In addition, AEGEE Brno should actively promote itself using such platforms as:

- Instagram;
- Twitter:
- Linked.in:
- An organization's blog should be a source of reliable information about organization according to company's core values and beliefs;
- Newsletters.

Another channel for promotion is the information system of Masaryk University, which offers opportunity to advertise for free a variety of activities. Online magazine of Masaryk University will be used to publish articles about the workshops, events and the possibility to travel with AEGEE. The greatest value will be given to the articles from members of AEGEE who already took part in some events of the organization and want to share the experience.

Furthermore, AEGEE Brno will be present on different cultural events that will be going in Brno region within the year. An example of such event could be:

- Moravia music festival (Brno);
- Špilberk Festival in Brno;
- Christmas, Easter and other markets in Zlin, Brno, Olomouc;
- Catering for events: for example some celebrations organized by Masaryk University;
- Participation in another exhibitions and festivals;
- Prvakovinach is an event, which is being held at all faculties of Masaryk University for first year students.

Another form of promotion will be participating in NGOs fairs trades. During fairs participants will be informed about workshops and provided them with information about topics to select, and how to take part in them. The promotion will also serve primarily the leaflets, stickers, pens, bracelets that members of AEGEE Brno will distribute to participants.

Newsletter is an email that AEGEE-Brno sends to mailing list, to which both current and former members of AEGEE-Brno and members of other branches and candidates for membership are included. The aim of these email information is primarily to promote activities organized by AEGEE-Brno at the local level directly in Brno. It is thus an effort to involve more members in the events of organization. Usage of newsletter we will thus promote both workshops and informal meetings.

This information will be sent an email each month. It is important to maintain regularity broadcast. Responsible for writing and distributing e-mail will be Secretary of AEGEE-Brno.

Overall, most of the promotion will run through online communication channels. Physical promotion will be done only through giving the members of AEGEE Brno special membership card, which gives discounts in different places in Brno.

### **8.2.4** Place

Distribution of the product will be done directly from AEGEE Brno. This product will be spread across all communication channels that are mentioned in the promotion. Applications for workshops will be available both on the website of AEGEE Brno and on the social network Facebook and must be submitted via online form.

### 8.3 Time analysis

Proper timing is one of the characteristics of successful marketing strategy. Time management helps to organize all tasks in a way that ensures execution of strategy, its monitoring and controlling in order to achieve the goals of organization. Based on the list of activities that are needed to be performed in according to the elaborated marketing strategy, a schedule of activities is created in software Program Evaluation and Review Technique.

PERT that is a statistical tool used in project management for assessing time. The system generates duration of the project activities based on previous projects and subjective anticipation. The steps A-P stated in Table 10 which represent the project of marketing strategy of AEGEE Brno.

**Table 10:** Activity plan of marketing strategy (own source)

Step	Description
A	Meeting with representatives of Masaryk University
В	Conducting marketing research
С	Decision on the project creation
D	Arrange promotional materials physically
Е	Participation in the events of Masaryk university
F	Develop the cooperation with others students organization
G	Write Articles about workshops on developing skills
Н	Online Advertising on Facebook
Ι	Apply for a minimum of two grants from EU funds and Czech Republic
J	Presentations of activities of AEGEE Brno
K	An informal meeting with current members of AEGEE Brno
L	Participation in NGOs trade fairs
M	Controlling success of advertising campaigns and demand
N	Conducting workshops on developing knowledge and skills
О	Usage of existent partnership to expand the scope to other region

At present time there are bunch of applications to conduct project time analysis. Calculation of time for the marketing strategy of AEGEE Brno is done in software – WinQSB, PERT-

CPM Module. The following Table 11 represents the duration of project activities and sequencing.

	Table 11: Pro	ject Activities Duration (	own source,	WinQSB)
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Activity Number	Activity Name	Immediate Predecessor (list number/name, separated by ',')	Normal Time	
1	Α		4	
2	В		5	
3	C		2	
4	D	В	2	
5	E	С	2	
6	F	Α	1	
7	G	E	1	
8	Н	F	1	
9	I	G,H,D	4	
10	J	I	2	
11	K	F	2	
12	L	J,K	1	
13	М	L	1	
14	N	М	2	
15	0	N	2	

From table 10, it is seen that the management of the company has to make decision on prioritizing the activities and its scheduling. According to WinQSB analysis the decision should be followed by conducting marketing research, confirmation of project creation and meeting with representatives of Masaryk University. The next action include participation in the events of Masaryk university and developing cooperation with others students organization. After that, promotional materials such as printing leaflets, brochures, posters should be arranged. Meanwhile, it is planned to make online advertising on Facebook and write articles about workshops on developing skills. Subsequently, AEGEE Brno team is suggested to apply for a minimum of two grants from EU funds and Czech Republic. Afterwards, presentation of products of organization must be done during informal meeting with current members of AEGEE Brno. Controlling success of advertising campaigns and demand, conducting workshops on developing knowledge and skills and usage of existent partnership to expand the scope to other region constitute the conclusive phase of the project.

The action of the investigation is explored the duration of the project and the critical path. Kelley (1961) defined critical path as the longest continuous pathway starting from the first event to the final one within the shortest possible time. Besides, this analysis also shows possible delays of particular activities not affecting the total duration of the project that give more flexibility to managers. The results of the critical path computations performed in WinQSB application are presented in the Table 12.

**Table 12:** Critical path (own source, WinQSB)

04-04-2016	Critical Path 1	
1	В	
2	D	
3	l	
4	J	
5	L	
6	М	
7	N	
8	0	
Completion Time	19	

According to the table above, the project completion time is around 19 weeks. The conducted PERT analysis identified the only possible critical path. This graph the critical path is  $B \rightarrow D \rightarrow I \rightarrow J \rightarrow L \rightarrow M \rightarrow N$ . Non-critical activities are: A, C, E, F, G, H, K.

In addition, in the Table 12 earliest start, latest start, earliest finish, latest finish and time slacks are examined. Time slacks show for how long the non-critical activities can be delayed without affecting the overall length of the project. It represents the longest path but the shortest amount of time.

04-04-2016 16:03:02	Activity Name	On Critical Path	Activity Time	Earliest Start	Earliest Finish	Latest Start	Latest Finish	Slack (LS-ES)
1	Α	no	4	0	4	1	5	1
2	В	Yes	5	0	5	0	5	0
3	С	no	2	0	2	2	4	2
4	D	Yes	2	5	7	5	7	0
5	E	no	2	2	4	4	6	2
6	F	no	1	4	5	5	6	1
7	G	no	1	4	5	6	7	2
8	Н	no	1	5	6	6	7	1
9	ı	Yes	4	7	11	7	11	0
10	J	Yes	2	11	13	11	13	0
11	K	no	2	5	7	11	13	6
12	L	Yes	1	13	14	13	14	0
13	М	Yes	1	14	15	14	15	0
14	N	Yes	2	15	17	15	17	0
15	0	Yes	2	17	19	17	19	0
	Project	Completion	Time	=	19	weeks		
	Number of	Critical	Path(s)	=	1			

**Table 13:** Total project duration (own source WinQSB)

Base on Table 13 time reserves can be calculating by using:

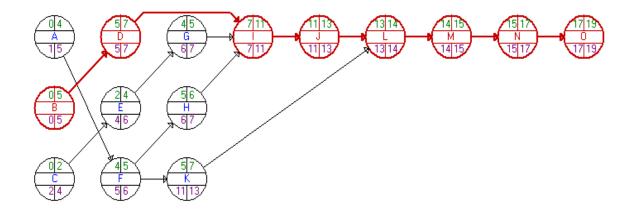
- *Total time reserve*. Time by which we can delay the start of the project without affecting the project's length.
- Free time reserve. Time by which we can delay the start of an activity without affecting following activities.
- *Independent time reserve*. Time of an activity could be extended without affecting the total project time, the time available for subsequent activities or the time available for the preceding activities.

**Table 14:** Total, free and independent floats own source (own source WinQSB)

	TS	FS	IS
	$TR_{ij} = LT_j - ET_i - t_{ij}$	$FS_{ij} = ET_j - ET_i - t_{ij}.$	$IS_{ij} = ET_j - LT_i - t_{ij}$
A	5-0-4=1	4-0-4=0	4-0-4=0
С	4-0-2=2	2-0-2=0	2-0-2=0
F	1	5-4-1=0	5-5-1= -1
G	2	7-4-1=2	7-6-1=0
H	1	7-6-1=0	7-6-1=0
K	6	13-5-2=6	13-6-2=5

Any delays of activities from the critical path will delay the project completion minimum by the length of such delay. Graphical solution can be presented in a form of a network diagram (Figure 30).

**Figure 30:** Graphical Solution (own source, WinQSB)



This shows all the activities that will take place as part of the project. Each event circle also has a figure in the bottom, right hand quadrant. This shows the latest finish time that is permissible for the preceding activity if the project is to be completed in the minimum time possible. Gantt chart representing the project completion is shown APPENDIX VII.

### 8.4 Cost analysis

Most of the projects incorporate costs, however in the case of nonprofit organization the cost are not significant. The organization has set up a budget in the amount of 10 000 CZK for the implementation of project. Nevertheless, it is required to prepare a list of the anticipated expenses related to the project activities. It is needed to mention that the biggest expenditures are assigned for printing promotional materials such as leaflets, posters, and brochures. The size of printing of leaflets and brochures will be A5 format double side and colorful and the size of the posters will be A3 format.

Another item of expenses is advertising on the social network Facebook. The subject of promotion will be Summer University in AEGEE Brno. The total days of advertising is expected to be 4 days. One day the ads cost 5 USD dollars.

The reward for the experts who will lead the workshops are also considered in the project budget. The hourly rate for lectures varies depending on expertise, group size etc. Other expenses for the workshops are not needed because the room can be obtained free of charge as well as rental projector. Approximate assessment of the potential costs of the project is given in the table below.

**Table 15:** Table Costs allocation (own source)

Description	Czech crowns
Printing leaflets (500)	1 750
Printing posters (15)	450
Printing brochures (100)	3 300
Advertising on Facebook	400
Registration for NGOs trade fairs	250
Paying lectures for workshops (9)	4 050
Travel expenses	450
<u>Total</u>	10 650

The total expected expenses for the project are around 10 650 CZK. The most expensive part is printing the materials. The rest of the costs are considerably lower. The project will be financed by AEGEE Brno internal funds and partly by grants obtaining from EU.

### 8.5 Risk analysis

Different kinds of risks may occur when implementing the project. Therefore, analysis of potential risks is a part of marketing strategy. Understanding the risks will help AEGEE Brno to manage the project with higher possibility of success and less possibility of unexpected expenses occurrence. Examining the potential risk factors helps to identify problems in marketing plan to be one step forward than competitors and more quickly respond to changes of environment.

Wrong selection of target market or not completing enough market research presents a risk factor. Conducting survey with a small sample of respondents to find out theirs needs and wants may result in erroneous conclusions. A complete survey of potential audience should uncover the real challenges and forecast the expectations of customers. Potentials risks of the current project can be divided into:

- Financial occurs when there is non-availability of funding from EU and Czech Republic;
- Political changes in tax, public opinion, government policy or foreign influence affect NGOs substantially.
- Organizational risks not enough voluntaries working on the project can immediately affect the project;
- Risks are vital in social media marketing.

The risks mentioned above could be grouped into two categories:

- 1. Internal risks:
- a) Lack of communication amongst the team members can directly affect progress of the project;

**Mitigation:** Social communication network tool like WhatsApp can help to collaborate with people who are responsible for the project more effective. In other words, it would remind and enable project members to keep in touch and share the information.

b) Demotivation of members to proceed with the marketing strategy on the voluntary basis;

**Mitigation:** To avoid this risk, loyalty programs must be offered for members of AEGEE Brno. Membership discount card, nomination "Best member of month" or small gifts may increase motivation of members to proceed with the marketing strategy.

c) Unsuccessful workshops presentations;

**Mitigation:** After first workshop presentation, it is strongly recommended to ask the guests to fill in the evaluation questionnaire in order to reveal theirs satisfaction of service.

d) Advertisement doesn't work for the organization; it means that not all people know about existence of the AEGEE Brno;

**Mitigation:** Once social media risk has occurred, it is advised to try new channels of communication that spread the awareness of AEGEE Brno.

- 2. External risks:
- e) Political, legal and social risks. Unnecessary actions of politicians might affect

AEGEE activities as well. Moreover, project can also be affected by the actions of local individuals or groups whose attitudes are to damage the organization or country.

Mitigation: Memorialize policies and processes to prevent loss of institutional knowledge when personnel changes occur; regularly review and update existing policies to ensure they are in line with changes in political law; provide training for all employees, especially senior management.

Increasing number of competitors;

Mitigation: Benchmarketing tool will help to stay competitive in the market and predict the potential threats. Five Porter's method is also helpful.

• Bad news in the media that may harm reputation of AEGEE Brno;

Mitigation: It is recommended to write a comments or article as a respond for news in media.

• Low demand for the products of organization.

Mitigation: Start to think to expand into new regions.

To tackle with occurrence of risks mentioned above, management of board should conduct repetitive controlling processes.

### 8.6 Control

President of AEGEE Brno and PR Responsible AEGEE Brno are responsible for controlling and compliance marketing strategy. The main subjects of monitoring are: regularly sending of newsletters about reminding to participants about the workshops, scheduled workshops and informal meeting to conduct in time. The number of members will be controlled according to internal documents.

It will also be necessary to check the number of students who has been registered and are attending both workshops and informal meetings. Depending on the number of registered people appropriate actions should be undertaken from the side of management team of AEGEE Brno. If the number is small, it is suggested to reduce the frequency of workshops and organize them only once every two months. If there are a lot of interested people in these workshops and the numbers are increasing, it is advisable to consider the expansion of these workshops until next year, for example, by organize workshops more often. Moreover, at the end of each workshop, guests will be asked to fill in the questionnaire to evaluate theirs satisfaction and write recommendations for improvements.

### **CONCLUSION**

In XXI century marketing and marketing strategies are extremely crucial either for profit or nonprofit organizations. Plenty of authors have investigated the process of developing marketing strategy. Nevertheless, each of the organization is different and unique, therefore marketing plan should be adapted according to the specific organization. The standard marketing strategy that could be used by every organization does not exist. Hence, it is necessary to create a marketing strategy individually customized for a particular organization and take into account all characteristics and aspects of the organization.

AEGEE Brno is respectively new nonprofit student organization and not well known so far. The main products of the organization are travelling summer university and short term events. There are 15 active members of organization and therefore it is required to involve new people into the organization and spread a word about it existence amongst student. Hence, marketing strategy proposal was developed for AEGEE Brno. The strategy includes detailed description of product, price, place and promotional activities that the organization is recommended to undertake. The purpose of the marketing strategy is workshops on developing knowledge and skills. These workshops will increase awareness amongst the public about AEGEE Brno and gain new members.

Based on marketing research and internal and external investigations the following actions are recommended in order to achieve the goal of marketing strategy:

- Establishing strong partnership with universities and others associations;
- Involving volunteers into organization of workshops on skills and knowledge development;
- Using social networks, participating in fair trades and cultural events in Brno to maintain relation with public;
- Applying for a wide range of programs to receive grants from the EU;
- Usage of existent partnership to expand the scope to other region.

In order to complete the project it is required approximately 19 weeks and the estimated budget is 10 650 CZK. Possible risks and its mitigations are suggested as well. AEGEE Brno President and PR responsible will be monitoring the implementation of marketing strategy efficiently.

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### LIST OF ABBREVIATIONS

AMA American Marketing Association

AEGEE Association des États Généraux des Étudiants de l'Europe

STP Segmentation, Targeting, Positioning

PR Public Relations

GRI Global Competitiveness Report

ISC International Student Club

MU Masaryk University

ESN Erasmus Student Network

EVS European Voluntary Service

EU European Union

NGO Nonprofit Student Organization

IFE Internal Evaluation Factors

EFE External Evaluation Factors

NGO Nonprofit Government Organization

NPO Nonprofit Public Organization

SWOT Strength, Weaknesses, Opportunities and Threats

PEST Political, Economic, Social and Technological

QSPM Quantitative Strategic Planning Matrix

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# APPENDIX I: INTERPRETATIONS OF MARKETING AND MARKETING STRATEGY BY DIFFERENT AUTHORS (SHARP, 2013)

Author	Definition of Marketing Strategy
General Electric Organization (1952)	Marketing is a philosophy that encourages the organization to ensure that the need and wants of customers in selected target markets are reflected in all its actions and activities while recognizing constraints imposed by society. This marketing concept:  Introduces the marketing man at the beginning rather than at the end of the production cycle and integrates marketing into each phase of business. Marketing will have authority in product planning, production scheduling and inventory control, as well as in sales distribution or servicing of the product.
Anderson (1982)	The real lesson of marketing philosophy is that better performing organizations recognize the basic and enduring nature of the customer needs they are attempting of satisfy. The products and services used to satisfy customer needs and wants change constantly.
Buttle (1993)	Marketing strategy is overall action, including all elements of marketing complex in order to clarify undertaking to set goals and objectives.
Kottler (2003)	Marketing strategy focuses on target customers. The organization chooses a market, divides it into segments, select the most viable ones and consolidates its forces in the service segment. The organization creates a marketing mix, using the tools at its disposal product, price, distribution and promotion. In order to establish the best marketing mix and be able to take appropriate action, the organization performs marketing analysis of marketing plans and carries them out. It carries out these activities by monitoring the environment and adapting it.
Baker (2008)	The marketing strategy is a model of a unit's position in its market relative to competitors ad contains a definition of market needs, the objectives to be achieved, the strategies to achieve the objectives and resources required to obtain the desired results.
Dibb, Simkin, Pride and Fer- rell (2010)	A marketing strategy involves selecting the best opportunities to pursue, identify an appropriate target market (the group of people the organization wants to reach), develop a competitive edge, and create and maintain a suitable marketing mix (the product, place (distribution), promotion, price and people) that will satisfy those customers in the target market. A marketing strategy articulates a plan for the best use of the organization's resources and directs the required tactics to meet its objectives
David Aaker (2013)	A process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achiev- ing a sustainable competitive advantage.

# APPENDIX II: MARKETING STRATEGY PROCESS (DIBB, PRIDE, 2012)

### **Marketing Opportunity Analysis**

- Marketing Strategy and Competitors
- The Marketing Environment
- Marketing in international markets
- Costumer buying behavior
- Marketing research



### **Target Market Strategy**

- Marketing Strategy
- Market Segmentation and prioritization
- Product and brand positioning
- Competitive advantage



### **Marketing Mix development**

- Product, branding, packaging and services decisions
- Place (distribution and marketing channel) decisions
- Promotion (marketing communication) decisions
- Pricing decisions
- Manipulating the marketing mix



### **Marketing management**

- Marketing Planning and forecasting sales potential
- Implementing strategies, internal marketing relationships and measuring performance
- Responsible marketing

## APPENDIX III: CHRONOLOGY OF AEGEE HISTORY

# (WWW.AEGEE.COM)

Year	Activities
1985-89: The beginning	AEGEE was still restricted to European Community members' states. It was a period with less local groups, events and projects than today, but a bigger political impact.
1990-1995: Embracing the East	AEGEE was embracing Central and Eastern Europe very fast. The network was extending rapidly extending, which changed the character of the association. Also the rapid growth in members due to the success of the Summer Universities made AEGEE bigger and open in character.
1996-2000: Moving to Brussels and new projects	Move of the head office to Brussels with a smaller European board that lived there throughout the year. In addition, with the Network Commission and the AEGEE Academy new bodies were created that helped to develop the network and its human resources.
2000-05: Supporting the EU enlargement and democratization in the East	AEGEE has established itself on a high level, supporting the EU Enlargement and democratization in the East and South-East Europe.
2005-Today: Crossing Borders	Crossing borders means getting engaged in new areas for the organization, tackling the challenges that youth is facing today, including mobility, unemployment and conflict resolution.

# APPENDIX IV: BENCHMARKETING ANALISYS (OWN SOURCE)

			Companies					
Cate- gory	Factors	Descriptors	AEG EE	AIESE C	Be in- terna- tional	ISC		
Prod- uct	Scope: Europe, Global	(0 - EU, 5 -globally)	4	5	3	2		
	Activity variety	(5 – different activities, 0 - only several basic projects are on offer)	4	5	2	3		
	Projects duration	(0 – up to 1 month, 5 – more than 1 month)	3	5	4	2		
	Availability of internship	(5 - is always available, 0 - hardly ever founded on offer)	1	4	3	3		
	To	12	19	11	10			
	Aver	rage grade (1-5)	3	4,75	2,75	2,5		
		Prioritizing	II	I	III	IV		
Price	Participation fees	(5 - low, 0 -high)	4	2	5	3		
		Prioritizing	II	IV	I	III		
Place	Achievability	(5 - perfect visibility and outreach options, 0 - almost impossible to find)	4	5	2	3		
		Prioritizing	II	I	IV	III		
	Web-site as- sessment	(5 - perfectly informative, appealing and user-friendly, 0 - no website)	4	5	2	3		
Pro-	Communication channels	(5 - various owned media, 0 - no owned media)	5	4	3	3		
mo- tion	Public Relations	(5 - great efforts in public image construction, 0 - no PR efforts)	5	4	3	2		
	Sales promotion	mo- (5 - various sales promotion options, 0 - no sales promotion)		2	4	5		
	To	16	15	12	13			
	Aver	4	3,75	3	3,2 5			
		Prioritizing	I	II	IV	III		
	Ove	36	44	30	29			
	Overall	3,6	4,4	3	2,9			
	Ove	rall prioritizing	II	I	III	IV		

### **APPENDIX V: QUESTIONNAIRE (OWN SOURCE)**

Dear respondents,

This questionnaire has been created for studying purposes within the project for nonprofit student organization AEGEE Brno. The survey is designed especially for young people aged 18-30 years. The results of this questionnaire will be used both to write master thesis and also to create a marketing strategy for an organization. Please spend several minutes in order to fill out this questionnaire. Thank you for your help. The answers are anonymous. Oksana Konyk

- 1. Are you currently a member of any student's nonprofit organization?
- Yes, I do (proceed with question no. 2)
- No, I do not (proceed with question no. 9).
- 2. What is the name of your organization (Please write below)?
- 3. How did you found the organization?
- Internet search engine
- Fair student or non-profit organizations
- Recommendation from friend/s
- Through another organizations
- Facebook or another social network (eg. Twitter)
- Others (specify) \_\_\_\_\_\_\_
- 4. In which period of the year you would probably search for organizations to be involved in?
- September-October
- November-December
- January-February
- March-April
- May-June
- July-August

- 5. What are the reasons that might persuade you to participate in the association / organization?
- Gaining experience
- Opportunity to enroll activities of the organization in resume
- Ability to travel
- Opportunity to develop skills and competencies
- Have fun and meet new people
- 6. Does the amount of membership fee influence on your decision to join the organization?
- Yes, it does
- No, it does not matter
- I do not know
- 7. How much are you willing to pay for an annual membership fee?
- 0-100 CZK
- 101 300 CZK
- 301 to 500 CZK
- 501 to 1 000 CZK
- More than 1000 CZK
- 8. Are you interested in workshops focused on developing skills and knowledge?
- Yes, I do (proceed to question no. 9)
- No, I do not (proceed to question no. 10)
- 9. What is the amount are you able to pay for a workshop aimed at developing the skills and knowledge?
- 0 − 100 CZK
- 101 300 CZK
- 301 500 CZK
- More than 501 CZK

10.	Gender					
•	Male					
•	Female					
11.	Age group					
•	17-20					
•	21-23					
•	24-27					
•	27-30					
12. Educational status						
•	High school/Secondary school					
•	Undergraduate/Bachelor's					
•	Master's					
•	PhD					
13.	In which university do you study?					
•	Masaryk University					
•	Mendel University technology					
•	University of technology					
•	Other					
14.	What is your field of study?					
•	Economics					
•	Humanity					
•	Computer science					
•	Other					

# **APPENDIX VI:** QSPM (OWN SOURCE)

Key fac-	Weight	SO1		SO2		SO3	SO3		SO4	
tors		AS	TAS	AS	TAS	AS	TAS	AS	TAS	
S1	0,2	4	0,8	3	0,6	4	0,8	3	0,6	
S2	0,13	4	0,52	3	0,39	4	0,52	4	0,52	
S3	0,1	4	0,4	4	0,4	3	0,3	3	0,3	
S4	0,1	4	0,4	3	0,3	4	0,4	4	0,4	
S5	0,05	2	0,1	2	0,1	2	0,1	1	0,05	
W1	0,07	1	0,07	2	0,14	1	0,07	1	0,07	
W2	0,13	2	0,13	1	0,13	1	0,13	1	0,13	
W3	0,07	2	0,14	1	0,07	1	0,07	1	0,07	
W4	0,04	1	0,04	2	0,08	2	0,08	1	0,04	
W5	0,08	1	0,08	1	0,08	1	0,08	2	0,16	
W6	0,03	1	0,03	1	0,03	1	0,03	1	0,03	
O1	0,1	4	0,4	3	0,3	4	0,4	3	0,3	
O2	0,12	4	0,48	4	0,48	4	0,48	3	0,36	
O3	0,08	4	0,32	4	0.32	4	0,32	4	0,32	
O4	0,04	4	0,12	3	0,12	3	0,12	3	0,12	
O5	0,09	3	0,27	4	0,36	4	0,36	4	0,36	
T1	0,11	2	0,22	2	0,22	2	0,22	2	0,22	
T2	0,12	1	0,12	1	0,12	1	0,12	1	0,12	
Т3	0,1	3	0,3	3	0,3	3	0,3	3	0,3	
T4	0,09	2	0,18	2	0,18	2	0,18	1	0,09	
T5	0,05	2	0,1	2	0,1	2	0,1	2	0,1	
STAS			5,22		4,74		5,18		4,66	
Priority	1		3		2	2		4		

### **APPENDIX VII:** GANTT CHART (OWN SOURCE)

