

A Marketing Mix of the Coffee Express Company

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ABSTRAKT

Bakalářská práce se zabývá analýzou marketingového mixu firmy Coffee Express. Práce obsahuje dvě části, teoretickou a praktickou. V první, teoretické části, jsou s pomocí odborných zdrojů vysvětleny základní pojmy týkající se marketingového mixu a jeho nástrojů, SWOT analýza a PESTLE analýza. Praktická část obsahuje popis firmy Coffee Express a popisuje současný stav marketingového mixu společnosti, SWOT a PESTLE analýzy. Součástí je také analýza konkurence, modifikace stávajícího marketingového mixu a dotazníkové šetření.

Klíčová slova: marketing, marketingový mix, SWOT, PESTLE, benchmarking, konkurence

ABSTRACT

Bachelor thesis focuses on analysis of marketing mix of company called Coffee Express. This work consists of two parts, theoretical and practical. Basic terms, such as marketing mix and its tools, SWOT and PESTLE analyses are explained in the first, theoretical part, with help of professional literature. The practical part describes the Coffee Express company and analyses the current state of the marketing mix, provides SWOT and PESTLE analyses. Practical part also includes analysis of competition, modification of the marketing mix and a questionnaire.

Keywords: marketing, marketing mix, SWOT, PESTLE, benchmarking, competition

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INTRODUCTION

Currently, the coffee industry in world is getting more popular and Czech Republic is not an exception. These days, there are many cafés but only small percentage is based on the same concept as Coffee Express. Customers care about the quality of services and there is no difference in coffee industry since it is getting more popular across society. In this field, it is difficult to create some competitive advantage. Some cafés offer their own processed coffee beans, some alternative preparations of coffee or any kind of service that makes them different from the competition. Coffee Express developed competitive advantage that no café in near distance can offer. That is, the ability to move and therefore deliver the product and services straight to the customer.

This Bachelor thesis focuses on A Marketing Mix of Coffee Express Company. This company offers their own coffee and customers are enabled to observe the coffee preparation directly. They are also able to deliver their product and service to more than one place in Zlín.

The main goal of this Bachelor thesis is to analyse the marketing mix of this company, to find areas that could be improved and to suggest possible changes and modification of marketing mix and its tools. Bachelor thesis consists of two parts, theoretical and practical.

Theoretical part consists of information based on professional literature that focuses on marketing and the marketing mix. All tools of marketing mix and situational analyses are described in detail. Theoretical part is concluded with information about questionnaire.

Practical part starts with information about Coffee Express where is explained the concept of this company. After this introduction, follows the analysis of current state of marketing mix. Practical part also consists of PESTLE analysis. This is followed by competition analysis and benchmarking. SWOT analysis is also part of this Bachelor thesis, followed by questionnaire. Questions were aimed at customers of Coffee Express and people who currently live in Zlín and might be aware of this company. Thanks to these analyses it was possible to recommend in conclusion of the thesis suggestions for improvement or possible changes in marketing mix. These recommendations were aimed to help the company focus on areas that could be improved.

THEORY

1 MARKETING

Marketing can be defined as a crucial tool to the success. Although many people imagine marketing only as commercials or advertising in order to sale, it is only very little part of the whole. Nowadays, marketing is not only about selling, it is mainly about satisfying customers' needs and for that can be and is used a set of tools called "marketing mix". Moreover, marketing is important in order to build relationships with customers (Kotler and Armstrong 2012, 4-5).

According to Baker, marketing is 'the creation and maintenance of mutually satisfying exchange relationships' (Baker 2014, 5). In other words, two sides, either entities or individuals, exchange good or services in order to satisfy their want and needs. Moreover, these two sides are willing to repeat this experience when it is needed (Baker 2014, 5).

1.1 Importance of marketing

At first, companies need to introduce their product to the customer as something that they would buy, in other words, they need to create the demand for what they offer. Marketing activities of the company give notice to the potential customer, so even there is set of many other business activities, such as accounting or finance, marketing creates customers awareness about the product. So it can be said that financial success of the company very much depends on the marketing activity (Kotler and Keller 2012, 3-4).

1.2 Marketing strategy

In order to create some values and build strong customer relationships, there needs to be some marketing strategy. This strategy helps with identifying the market and selecting the segments which could be profitable for the company. Besides putting focus on those segments, company needs to know customers' needs and how to satisfy them. What is more, they need to know how to win customers from their competition and provide them with better service in order to keep their loyalty. For every company is crucial to analyse divided segments and decide which strategy is the most profitable one. Designing such strategy includes particular process which is divided into four parts, such as market segmentation, market targeting, differentiation and positioning (Kotler and Armstrong, 2012).

1.2.1 Market segmentation

Since there are many consumers on the market with various needs, marketers divide them into smaller groups, in other words segments. In order to these segments, marketing offers are created according to consumers' characteristics. Those characteristics can be various, such as behavioural, geographical or demographic. Thus, these groups of customers share similar opinions, values but more importantly wants and needs (Kotler and Armstrong 2012, 48-49).

After dividing a market into segments, for the company is crucial then to develop strategic goals which are aimed at target segments. One of the biggest competitive advantages of any firm is when a need of product or service appears in customers' mind and they immediately think of the company's brand. That means that the firm made its mark on the market and among customers (West, Ford, Ibrahim 2015, 152).

1.2.2 Market targeting

After segmenting the market, companies choose the one that is according to some researches the most profitable one and recognize advantages or disadvantages. If there are more segments with different customers but with similar wants, company may enter more than one segment. Nevertheless, more common situation may be that companies at the beginning enter new market with only one segment and after being successful; they add more segments (Kotler and Armstrong 2012, 48-49).

1.2.3 Differentiation and positioning

The most important goal of positioning is finding the best place on market in order to make it different from competition and more attractive for customers (Kotler and Armstrong 2012, 48-49). As the main goal of positioning, might be considered to keep the product at the top, when the customer is choosing the product or service. The goal is to keep the brand in customers' minds at the very top (West, Ford, Ibrahim 2015, 170). Differentiation is closely related to positioning and it basically means only how is the positioning performed (Kotler and Armstrong 2012, 48-49).

2 MARKETING MIX

When the marketing strategy is set, one of the most important things the firm can do is to determine a marketing mix. This process is used to influence and mainly create greater demand for the product or services that the company offers. Marketing mix is a concept that consists of four tools that are very closely connected and that would probably not work one without the other. For this group of marketing tools is also use term 4Ps – product, price, place, and promotion (Kotler and Armstrong 2012, 51-52). Marketing mix helps to meet the needs of consumers but is also crucial to create the competitive advantage for the company (Singh 2012, 43).

2.1 Product

According to Foret, product is everything that is offered by a company and everything for what are consumers ready to pay. That means that everything that is demanded, made for use or consumption is considered a product. But not only tangible things, in other words goods, have to be labelled as product. In marketing terminology, services are also considered as product. That includes for example business, financial or insurance services, but also know-how, people, art or even thoughts (Foret 2011, 191).

Kotler and Keller's theory agrees that product is everything that can be offered. According to them, product is also everything that is on market with purpose to satisfy customers and their needs (Kotler and Keller 2016, 163).

2.1.1 Product lifecycle

There is also theory about the lifecycle the every product goes through during its "life". Sales and profits change during the life stages of the product. In other words, product lifecycle shows when profits and sales either rise or fall. There are five life stages:

- Development
- Introduction
- Growth
- Maturity
- Decline.

The length of life of the product is influenced by many aspects. Those aspects can be for example innovating new attributes, higher demand because of new users or finding new way how to use the product. Through each stage the product moves with different speed.

The speed is also influenced by changing marketing strategies, different customer expectations or different competitive conditions. Price, distribution and promotion also influence the length of life of the product. Some product can even make the path to the decline and still withstand on the market. That depends on the quality of promotion (Banes, Fill and Page 2011, 298-299).

2.2 Price

In the most basic meaning, price is the amount of money that are consumers willing to give up in order to gain the product or services offered by a firm. Price influences both the customers' choice and the profitability of the company on the market. Unlike the other factors of marketing mix, price is the most flexible one and the only one that can be changed pretty quickly. However, pricing is not the most favourite marketing activity for marketers, it is very important, since the buyers' choice is dependent on it. Furthermore, price is the only factor of marketing mix which makes revenue for the company (Kotler and Armstrong 2012, 290).

Setting price depends on many aspects. All the costs need to be included, that means, that everything related to the production of the offered good, needs to be included in the final price. These costs are the total money, resources and time that are needed to produce the goods. There are also other costs, such as those that are related to supplies needed for the production and cost associated to distribution of the product (Banes, Fill and Page 2013, 236-237).

Kotler and Keller's theory also confirms that price is the only part of marketing mix that produces revenue, not the costs as the other elements. What is more, it is important to be aware of the price changes made by the competition. This theory also says that making changes in price, more precisely increasing the price, companies must consider mainly customers' needs and wants a their point of view. Furthermore, this theory summarized six steps that companies should follow when setting prices being: selecting the pricing objective, determining the demand, estimating costs, analysing competitors' costs, prices and offers, selecting a pricing method and finally selecting the final price. This method might be useful to many marketers since it is described in steps in detail (Kotler and Keller 2016, 200-2012).

2.3 Place

In other words, place is about distribution. Distribution is movement of the goods and services. As everything is customer-centred, so is the distribution. Not only that it controls the product is delivered to the customer, but also the supply chain as a whole. According to Kotler and Armstrong, the distribution can be outbound, inbound and reverse.

- Outbound – simply meaning the delivering of goods or services to customers
- Inbound – flow of supplies to factories
- Reverse – movement of unwanted, broken goods back to companies (by consumers)

The supply chain is the flow of everything included in the production and advertising, in other words it delivers the information about offered product. It also includes every kind of communication with the company itself, suppliers, resellers and finally consumers (Kotler and Armstrong 2012, 356-357).

According to Baines et al. there are two major elements when making distribution strategy. Firstly, it is important to manage the design of the distribution channel and related activities. The next important element is to manage the relationship between the members in the distribution channel. These two parts of distribution strategy are meant to determine the most effective strategy. Furthermore, making the as efficient distribution channel as possible will reflect on pricing strategy of the company (Baines, Fill and Page 2013, 329).

2.4 Promotion

Probably in the simplest meaning, promotion includes advertising, public relations, exhibitions and everything related to spreading the information about the product or service. Since all elements of the marketing mix are interconnected, also promotion is crucial for the company's success. According to Singh, using some of the promotion mix tools, such as advertising, creates both the awareness and the image of the product. Thus investing in promotion is one of the most important decisions that marketers can make because not only that it creates the image of the product, but also of the company itself (Singh 2012, 42).

Furthermore, Percy analyses in his book promotion with respect to consumers. There are described several types of so called promotion to consumer such as sampling or loyalty and loading devices.

Sampling is the chance for the customers to try the actual product. The goal of sampling is most commonly to introduce new product or a new version of it, in order to create broader range of customers. Sampling became very popular and is in most cases for free.

Loyalty and loading devices are one of the most effective ways of keeping the customers. It is based on making some kind of promotion loyalty programme in order to keep the customers buying the product. One of the possibilities is to give the consumer bonus pack or extra product to the one he purchased. It is also chance for the company to introduce new product by giving it for free as bonus. Another possibility is so called continuity programmes, which are probably the most common and the most effective. Continuity programmes are based for example on saving stamps that proof the repeated purchase. After some period of time or having enough proofs-of-purchase, the customer gets the free reward for the loyalty. Companies often let the customers repeat this as many time as possible in order to keep their loyalty (Percy 2014, 106-110).

2.4.1 Advertising

Advertising is one-way and non-personal form of communication. It is a tool through which messages are delivered to the potential customers. In other words, it is used to influence target customers. Advertising contributes to promotion by reaching large audience, although in impersonal way since it is one-way communication (Baines, Fill and Page 2013, 294). According to Kotler and Keller, advertising can build up a long term image for the brand and the product. Unlike newspaper forms or for example leaflets, some advertising techniques are financially demanding and require large budget, such as TV or radio advertising.

Kotler and Keller also classify advertising objectives according to what function it should fulfil, whether it should inform, persuade, remind or reinforce.

- **Informative advertising** is used to create awareness of the offered product or to inform about the changes of existing product.
- **Persuasive advertising** is aimed to convict the customer to like and buy the product. It is used to make customers like the brand and the product and possibly to gain their loyalty. It also might be used as a comparative type of advertising where two or more brands or product are compared. Comparing two or more brands might be one of the most effective techniques how to persuade customers. It is a possibility

to show the qualities or the price of the product in comparison with the competition.

- **Reminder advertising** is important to remind customer about the product in terms of keeping repeat purchase and customers' loyalty.
- **Reinforcement advertising** serves to ensure customers who purchased the product that they made the right choice. For that companies often use references of satisfied customers (Kotler and Keller 2016, 596-609).

2.4.2 Public Relations

Every company needs to keep connection with its customers and not only with them. Public means any group that has a potential or even actual interest in the company. Public relations includes wide range of possibilities how to promote the company or how to protect a company's image, product and the brand. This tool combined with other elements used for promotion can be very effective. Moreover, unlike some other tools, PR is low-cost type of promotion and still credible.

Public relations are one of the best ways how to spread news and information about the company in the most positive way. This should be done by the employees of the company and of course by the management. It is important so that also the employees of the company have good relationship not only with the management but also among them. Public relations can be used to spread stories behind a company which could also appeal to public. (Kotler and Keller 2016, 596-629).

2.4.3 Personal Selling

Personal selling is based on interpersonal communication. That helps to create relationships and to develop positive feelings of the customers. Moreover, this communication is advantageous for every participant of the communication. That is, because personal communication can be adjusted so that both sides meet their requirements (Banes, Fill and Page 2013, 294). According to Kotler and Keller, there are some notable qualities of personal selling. The advantages of this promotion tool are that when communicating with the customer, the aimed message can be designed according to the particular situation and particular needs. Also, personal selling serves to create and most importantly keep good and long-term relationships. Above that, the customer is in this situation encouraged to respond directly and immediately (Kotler and Keller 2016, 597).

2.4.4 Direct Marketing

One of the goals of promotion itself is to build long-term relationships with customers, as well as to keep their loyalty by keeping them informed and satisfied. Direct marketing is no exception and marketers use this promotional tool to reach the customers without any marketing middleman in the process. That means that direct marketing is used to reach the customer directly by sending personalized messages. In most cases, marketers use direct mails or direct messages to mobile devices. These messages are designed to change the customers' behaviour (Kotler and Keller 2016, 657-658).

2.4.5 Sales Promotions

Sales promotion is designed to encourage the customer to buy an offered product. The goal of this promotional tool is mainly to show the additional value. That means that the company that offers the product is able to show the product to the customer in the best way possible. Also, one of possibilities is to add something extra to the purchase. Main tools of sales promotion are premiums, coupons, sampling, continuity programs or any kinds of contests (Baines, Fill and Cage 2013, 294). One of the most effective sales promotion tools is sampling and continuity programs. Sampling is free product added to the customers' purchase. This could be delivered either directly to the customers' home or picked up in the store or directly attached to the purchased product. The main goal of sampling is to show to the customer another product offered. That often leads to higher sales. Continuity programs are based on providing rewards to customers for their loyalty and continuous purchases.

According to Kotler and Keller, sales promotion is the key to greater and also faster purchase of products or services. They also claim that it is essential to establish objectives and choose the right sales promotion tools for the company. It is important to create a program, control it, and at the end summarize and evaluate the results. Marketers should develop a plan according to type of the market and also the competitive conditions, so that the promotion is effective (Kotler and Keller 2016, 622-623).

2.4.6 Digital Marketing

These days online communication plays probably the key role in the communication between the company and its customers. Since the technologies developed and still are developing, companies need to set the promotion according to what is the most effective for

them. In thesis, there are two key tools of digital marketing that can be used by companies (Kotler and Keller 2016, 637-638).

2.4.6.1 Website

Each company can decide whether to have website or not. If they do, it should contain overall information about the company itself. There might be information about their history, purpose and a vision, but it should inform customers about products and services they offer. Design of the website is one of the most important things since the visitor may judge the company according to the first impression. Everything on the website should be simple to use and quick. Moreover, navigation to other pages should be understandable. Therefore, the website should be attractive, well designed and very simple to use for any visitor (Kotler and Keller 2016, 639-640).

2.4.6.2 Social networks

As the website is important for the company, social networks became crucial in digital marketing. These days as major social networks can be considered Facebook and Instagram. Also LinkedIn and Twitter are broadly used. Facebook allows the company to engage the customers in various ways. On the other hand, Instagram is a good tool how to support and create company's image with the use of photographs (Kotler and Keller 2016, 644).

3 SITUATIONAL ANALYSES

Situational analysis helps companies to not only understand the field they work in but also to know about what is happening around and how it affects the company. With the help of situational analysis companies can determine current demand, analyse the competition, and observe the trends or changes in terms of economy or law regulations (Campus Library, 2018).

3.1 PESTLE

PESTLE is a very well known situational analysis. This acronym stands for ‘political’, ‘economic’, ‘social’, ‘technological’, ‘legal’ and ‘ecological’. This analysis allows the company to examine the external environment. There are two types of external elements. Firstly, there are elements that can influence the company but the company is unable to control them. Secondly, there are elements, that cannot influence the company immediately but in long term they might cause some impact (Baines, Fill and Page 2013, 37).

3.1.1 The Political Environment

While the legal environment, in other words, laws are being enacted or in a dispute, the political environment focuses on the interaction between businesses. According to Baines et al.: “Political environmental analysis is a critical phase in environmental scanning, because companies can detect potential legal and regulatory changes in their industries, and have a chance to impede, influence, and alter that legislation” (Baines, Fill and Page 2013, 37).

3.1.2 The Economic Environment

It is crucial for every company to understand the economic environment in the country because the prices set by the company are influenced by it. It is connected to basically any input to a business.

There are many factors that influence the external environment of a firm. That is, two types of inflation, being wage inflation and price inflation. Wage inflation means, that increasing wages is dependent on the labour available in that sector. Price inflation basically could mean ‘the rare the good, the higher the price’. Although according to Baines et al. it also depends on the rate of supply of goods and services. The most important item is probably GDP (gross domestic product). “The combined output of goods and services in a particular

nation is useful for determining relative wealth per member of the population, compared between nations as GDP per capita at purchasing power parity (PPP)” (Baines, Fill and Page 2013, 40). Other items that influence the external environment are income, sales and corporation taxes.

3.1.3 The Socio-Cultural Environment

Every company needs to control and register the changes happening around customers and their needs, household, demographics, families and people’s lifestyles, and values in society. Awareness of these changes enables company to adapt the offered goods or services according to what is demanded (Baines, Fill and Page 2013, 39-41).

3.1.4 The Technological Environment

The innovation of new technologies does not have to influence only high-technology businesses. With technological environment are also connected the social media that companies use for promotion. Social media technologies are changing every day and it is important for companies to be aware of them. That is because companies use mainly web-based marketing and try to get to consumers through their mobile phones or computers. Thus, these methods need to be efficient because it is the main source of communication with customers (Baines, Fill and Page 2013, 42-44).

3.1.5 The Legal Environment

The legal environment is a field that is important in every aspect for every business. That means that it is crucial in every field of the organization. It covers various ranges, being product safety, transparency of pricing, the prevention of restrictive trade practises and packaging, labelling and practise in advertising (Baines, Fill and Page 2013, 45).

3.1.6 The Ecological Environment

Nowadays, ecological behaviour is becoming very popular among people and for that reason, more companies started to act according to these trends. This concept is called “green” marketing. Generally, consumers adopted this behaviour and demand high quality food, good welfare for animals and natural processes in general (Baines, Fill and Page 2013, 47-49).

3.2 Benchmarking

Benchmarking is long-term technique use for observation and comparison of the firms results compared to the competition. It is possible to apply benchmarking in any field concerning various activities. Benchmarking is implemented by companies to analyse and compare result with company, even from different states. This comparison then serves to improvement of own performance.

There are five phases of benchmarking:

- Preparation
- Research
- Creating a partnership
- Collecting and sharing information
- Analysis, adaptation and improvement (WikiCR, 2016).

3.3 SWOT

The SWOT analysis is a process that identifies strengths, weaknesses, opportunities and threats of certain company. Each of the letters from the acronym stands for one word. This technique can be performed for products, service or for example markets. This technique helps the firm to develop the best fitting strategy how to achieve its goals and visions. Moreover SWOT analysis might help to decide which segments are the best to enter with the product or services (Team FME 2013, 6-7).

SWOT analysis consists of internal and external factor that influence the company.

3.3.1 Internal factors

- Strengths

Strengths show the added value of certain company and fields that the company excels at. This area includes fields like loyal customer base, strong brand, patents, strong balance sheet, equipment, distribution channels etc.

- Weaknesses

Weakness typical characteristics are that is put harm on the firms product and services and the brand as a whole. These are internal factors that put the company's name into disadvantage with the competition.

3.3.2 External factors

- Opportunities

Opportunities are external factors that each company could take as its competitive advantage. Each company should observe the market, new technologies or any other changes, for example in lifestyle, to be able to take an advantage of it.

- Threats

Company has to face also external risks. Threats are risks influencing the company from outside and it is impossible to control them. Even it is not possible to take control over these external factors each company should come up with some plans how to minimize observed risks that could influence the company (Team FME 2013, 12-20).

Table 1: SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> • What the company does better than the competition? • What makes it unique? • Are there any resources used only by the company? (competitive advantage) 	<ul style="list-style-type: none"> • What could be improved? • What should be avoided?
Weaknesses	Threats
<ul style="list-style-type: none"> • Customers' needs • Customers' preferences • Changes in technology • Changes in government policy 	<ul style="list-style-type: none"> • Challenges • Competitors • Changes in technology

Source: DIY Toolkit

	Helpful	Harmful
Internal Origin	Strengths	Weaknesses
External Origin	Opportunities	Threats

Source: free-management-ebooks.com, 2018

Picture 1: SWOT Analysis

4 MARKETING RESEARCH

4.1 Questionnaire

A questionnaire is a research that consists of many questions in order to gather information from the targeted respondents. This research is similar to an interview, although written one. Mostly are questionnaires carried in written form, but it is possible to carry out this research face to face, by telephone or post (not so common). Questionnaire is a way how to gather big amount of information at once. Moreover, it is done quite quickly because the researcher does not need to be present during responding. The disadvantage is that the respondents might lie and the researcher is forced to believe the answers.

Questionnaire can consist of closed questions, which means that these kinds of questions is possible to answer only with 'yes' or 'no', 'single' or 'married' etc. Also rating scale is defined as closed question. Open questions can also be part of the research. In these questions, respondents answer in their own word. They are enabled to express their opinions in gives problematic.

Recommended questionnaire design:

- Aims – all questions need to be addressed to the aims of the research
- Length – the shorter questionnaire, the better
- Pilot study – making sure people understand the questions
- Question order – questions should follow in logical order
- Terminology – minimum of technical words, simple question, easy to understand
- Presentation – professional look, clear design (Simply Psychology, 2018).

ANALYSIS

5 INTRODUCING THE COFFEE EXPRESS COMPANY

All information about Coffee Express included in Analysis part was obtained from consultations with the company's owner and based on own experience since the author of this thesis is employee of this company. Therefore it was possible to describe the business in more detail. Moreover, everything was consulted with the owner throughout the analysis.

Coffee Express is new young company established in 2016 in Zlín. Coffee Express is practically moving café. Company possesses two coffee bikes that move all around Zlín. Coffee Express operates mainly in Zlín but occasionally also in near cities like Luhačovice, Uherské Hradiště etc. The main goal of this company is to provide good quality coffee and satisfy customers not only with the product itself but also with the service provided.

The whole concept of Coffee Express is built so that the customer could be part of the whole coffee making process. Barista prepares the coffee in open space, so the customers can watch how the coffee is done and be part of it. Coffee is prepared according to Italian recipe and is roasted so that it is bitter, not sour. Coffee beans are grown in Brazil and roasted in small family coffee-roasting plant in Bohemia, Czech Republic.

As mentioned before, Coffee Express operates mainly in Zlín and possesses two coffee bikes. Both coffee bikes have regular path that is undertaken every day. Coffee Express is dependent on the weather but it still works most of the year.

Coffee Express company employs nine part-time workers and is owned by two employers, father and a son. All baristas undertook a workshop done by certified baristas how to prepare coffee properly so every of them is able to provide professional service to the customer.

Coffee Express also provides catering outside of its regular program. This company is also able to move the coffee bikes out of the city. They participate on private events like weddings, birthdays, celebrations, small conferences, corporate parties etc. They also take part on big events like all kinds of festivals and many public events in various cities.



Source: own processing

Picture 2: Coffee Express

6 MARKETING MIX

6.1 Product

Coffee Express offers to its customers coffee grown in Brazil. Occasionally, they offer different types of coffee, grown in different areas, but mostly they offer the Brazilian coffee. Coffee beans are roasted in small family coffee-roasting plant in Bohemia, Czech Republic.

Menu consists of all kinds of coffee types. Every type of coffee is prepared differently and Coffee Express, using detailed menu, shows to customers of what each coffee consists. Owners of the company take care of quality of the product itself and the service. Every barista working at Coffee Express is able to prepare any kind of coffee. Also owners of the café are able to prepare other types of coffee that are not in usual menu. They are able to prepare filtered coffee, which is not part of everyday menu, on request.



Source: provided by Coffee Express owner

Picture 3: Coffee Express Menu

6.2 Price

Coffee Express has updated its price list since the second half of year 2017. Café raised the prices after about half a year of functioning in Zlín. Change of prices was not as drastic as it might look. When owners of this company started the business, the prices were very low in contrast to the competition. These days, Coffee Express offers coffee for very similar prices as other cafés in Zlín.

Price list has been adjusted so that the prices match the quality of the product itself and the services provided but also to remain acceptable for cafes' customers.

If customer orders Coffee Express for other purpose than its usual path and program, there are some extra fees that need to be covered by the customer. Owners of the Coffee Express are able to transfer coffee bikes by a van outside the town. This has to be ordered in advance. Here the customer has to pay the gas in order how far coffee bikes are transferred. There is also some extra payment for the additional work that is needed to be done in order to load the coffee bikes and everything needed for the transfer. Payments for the coffee then are optional in order on what kind of event is Coffee Express attending. If it is private event, the customer can pay some amount of coffee drinks in advance and that everyone attending the private event has coffee for free. If the customer orders only the arrival of Coffee Express without paying the coffee in advance, then the prices remain the same for all customers at the event.

Table 2: Price Table

Ristretto	38 CZK	Cappuccino doppio	58 CZK
Espresso	38 CZK	Flatwhite	58 CZK
Espresso doppio	48 CZK	Café latte	55 CZK
Espresso macchiato	42 CZK	Café latte doppio	65 CZK
Americano	48 CZK	Café latte express	75 CZK
Cappuccino	48 CZK		

6.3 Place

Place is crucial element in this company. Coffee Express is moveable café so they can offer their product on many places in or outside Zlín. Baristas are able to move coffee bikes to any place in town for which Coffee Express possesses permission. This might be considered as valuable strength because of the uniqueness. The concept of this café is to deliver coffee wherever it is demanded. No other café in Zlín is able to come straight to the customer. This is the biggest added value that Coffee Express can offer to the customer in comparison to other cafés in Zlín.

6.3.1 Regular route

The owners of this company set a regular route on which the coffee bike moves during the day. This path has been updated and changed in past and also changes according to sea-

sons. In summer, Coffee Express bike starts at the first station located in front of the department store called Prior. This is very good location because of the fact, that there are schools everywhere around. Prior is located between faculties of TBU and up the store, there is a high school. Also there are many other shops in this area and a bus station, so this is very lucrative place because of the continuous movement of people mainly at noon. The second station in summer is in the Komenského park. Barista moves the bike after three hours. This place is during hot days the most profitable one for the coffee bikes. In summer, this park is probably the most frequented place in Zlín and people use the space for resting. For that reason Coffee Express is available in this park usually for the rest of the day. Baristas only switch places in this area.

In winter, the regular route is different from the summer model. The first station remains the same – three hours near the department store Prior. The second station in winter is located near the street market in Zlín. This area is called Pod Kaštany. This place is used as the street market and is very frequented in the second half of the year. Park Komenského is not frequented in autumn and winter months and for that reason, Coffee Express changes its position to the location Pod Kaštany for another three hours. This place is visited by people because of the street market and also near this place is department store Golden Apple, bus stop Náměstí Míru and two of the TBU faculties are located in near distance. The only disadvantage about this place is the fact that in close distance, there is café Mr. Coffee which is one of the biggest competitors for Coffee Express in Zlín. Third and usually the last station in this season is the square. In the afternoon, many people cross the square and therefore meet the coffee bike. This place is again lucrative because of the location of the Golden Apple, faculties, and people reaching the bus stop at Náměstí Míru.

As mentioned before, the owners are able to move the coffee bikes by a van outside the town if needed. The whole concept of Coffee Express is built on the idea to deliver coffee whenever is needed or wherever it is possible. That is why the distribution is a crucial element in this company. The owners are determined to deliver their product and services wherever it is possible. That includes several festivals, weddings, celebrations, private parties etc.

Coffee Express cooperates also with Městské Divadlo Zlín, therefore it is possible to meet this movable café also inside the theatre in foyer. Visitors of the theatre are enabled to have a cup of coffee before the play and during the break. For this place there is no regular time for Coffee Express to stand there, that is according to time and day of each evening play.

6.4 Promotion

Promotion is the tool with which companies create awareness among people about their services. Especially young company that needs to get visible and needs to gain new and loyal customers should focus on this field. Promotion has to be appealing in order to create awareness about the product and the company itself. The advantage of Coffee Express is that the look of the coffee bike can be considered as promotion itself. The appearance of the whole concept attracts the attention of many people by its unusualness only by moving around the town.

6.4.1 Advertising

Coffee Express is using some of the tools to create image of the company. Another reason of advertising is to attract attention of potential customers, to offer the product and introduce the company. This kind of advertising is mostly paid or the owners need to give something else in order to reach make the company visible. Here are some examples that are used by the Coffee Express.

- Logotype printed on the roof of the coffee bikes – The most visible promotion is done by the coffee bike itself. This moveable café is a bike with a roof. Around the roof is printed the logotype of the company.
- Clothing with logotype – Every barista possesses a T-shirt provided by the owners of the company. On every T-shirt is printed logotype of the company. Goal of that is to create awareness that the part-time workers are interconnected and to promote the company brand also by wearing it. Another reason might be that barista is most visible and is in direct contact with the customers.

6.4.2 Public Relations

Public relations are about contact with public and good relationship with customers is crucial for any company. There are possibilities how companies can contribute to the creation of a good name of the company and the brand. Public relations are not only about relationship with customers, even though it is crucial, but also about relationship with employees and among them. That in Coffee Express works in a very positive way. Part-time workers have good relationships among them and with the owners, and also with the public they create good relationships, therefore good name of the company.

One way how to create awareness about the brand and contribute to some projects or any other activities is sponsorship or some kind of cooperation with other subjects. Coffee Express established cooperation with Student Union TBU in Zlín nearly a year ago. Coffee Express contributes to projects organized by Student Union by giving them vouchers for free coffee for contests or by participating on their events. Student Union then promotes Coffee Express on their Facebook page and places their logo on posters related to the particular event. This cooperation lasts for nearly a year and yet will continue.

6.4.3 Personal Selling

Personal selling is the strongest part of Coffee Express from the promotional mix. Baristas are in direct contact with customers every time they are selling coffee. In this company is set philosophy based on making good relationships with customers by communicating with them during the purchase. This philosophy all part-time workers follow and believe in.

When a customer wants to order the coffee bike to some event, he is in direct contact with the owner. The customer can deliver his demands straight to the leadership of the company. This ordering can be done by phone, via email or the Facebook page.

6.4.4 Direct Marketing

This company has never used tools of direct marketing. The owners always used only communication on the internet (websites, Facebook, Instagram) and direct communication with customers during the purchase. Company does not plan to use direct marketing in future.

6.4.5 Sales Promotions

Sales promotion is yet not so developed in this company. This part of promotion could be used in various ways for Coffee Express but owners did not use those tools, yet.

In Coffee Express, there could be done sampling in order to let people taste different types of coffee and let them express their opinions which kind of coffee they would buy.

Sales promotion is also used in order to keep good relationships with customers. As mentioned before, Coffee Express does not use any, yet, except vouchers which they donate to events organized by Student Union. According to the younger owner, there are planned promotional items like badges, backpacks and umbrellas. All these items will be designed in black with white logotype.

The owners do not plan any kind of continuity programmes in the near future.

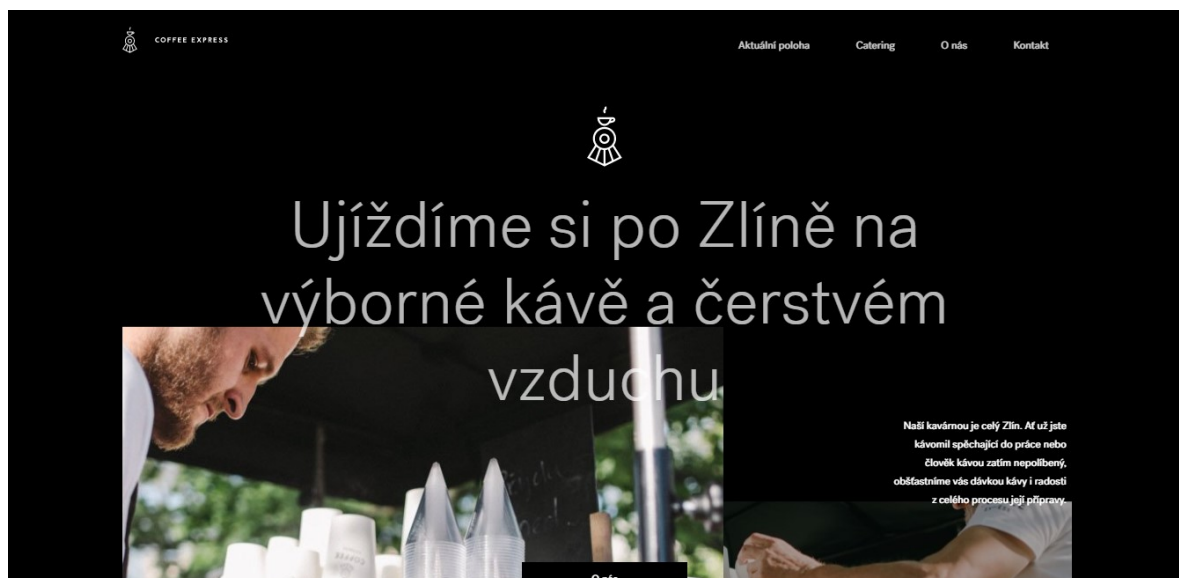
6.4.6 Digital Marketing

6.4.6.1 Website

Coffee Express established their website after the company functioned more than a year. The main reason was to keep customers informed where the coffee bikes are standing and if they are out. This is mainly for loyal customers who search for the Coffee Express services intentionally, so that they are informed where to find one of the coffee bikes.

Visitors of the website can browse in four bookmarks. The first one serves to inform about the position of the coffee bikes. That is probably the most useful function especially during autumn and winter when there is no guarantee that coffee bikes will go to the streets because of the weather. Second bookmark serves to inform potential customers about how the catering works and how it is possible to order services of Coffee Express. There is information about to what kind of events has Coffee Express been and to what kinds of events the owners are able to transfer coffee bikes. The third bookmark is about the company itself. There is described the philosophy of the company and also introduction of the baristas working for Coffee Express. The fourth bookmark contains contact to the owner and description of the usual route.

The website of Coffee Express company is <http://coffeexpress.cz/>.



Source: coffeexpress.cz, 2018

Picture 4: Cofee Express Website

6.4.6.2 Facebook

Facebook page can be considered as the main communication channel of this company. Coffee express started without websites so they communicated with their customers mainly with the help of this Facebook page. They informed customers when the coffee bike was staying in depot for the day or if any other changes happened.

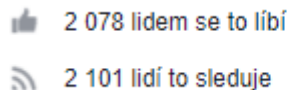
On Facebook page, there are also most of the photos of the coffee bikes and reports from events where the Coffee Express participated.

This Facebook page also contains some evaluations from customers and from that is visible that the majority is satisfied with the services. Coffee Express is followed on the Facebook page by over 2,000 followers.



Source: facebook.com/Coffeexpress.zlin/, 2018

Picture 5: Coffee Express Reviews



Source: facebook.com/Coffeexpress.zlin/, 2018

Picture 6: Followers of Coffee Express Facebook Page

6.4.6.3 Instagram

The owner uses also Instagram page. As it is the main purpose of Instagram, the owner posts there photos related to the company and the events they participate in. There is also possibility to use the function of stories which is based on posting photo which they do not want to stay on this page. Photos from stories disappear in 24 hours. So this can have only short-term informative purpose, for example about some sudden change or new of the day. Instagram page is used quite frequently but in winter pause, the owner did not use this profile at all. Coffee Express Instagram is follow by over 800 followers.

7 SITUATIONAL ANALYSES

7.1 PESTLE

7.1.1 The Political and Legal Environment

Coffee Express operates on trade basis. Trade is a systematic activity which operates independently and on its own behalf, is responsibility for itself, in order to obtain a profit and under the conditions laid down by the Trade Licensing Act.

- Zákon č. 455/1991 Sb., o živnostenském podnikání (Živnosti.eu, 2018).

Coffee Express needs to follow some regulations since it is first café of this type in Zlín. Every coffee bike is allowed to stay on one station for three hours maximally. Than they need to move to another, and approved by city hall, station.

7.1.2 The Economic Environment

One of the economic factors that certainly influence the profit of the company is competition. Although, even though the competition is quite high, Coffee Express does not try to keep the prices lower than its competitors. On the contrary, prices are very similar to all of the biggest competitions in Zlín. That means that Coffee Express chose different ways how to keep its customers. They try to build the brand image via social media and the coffee bike is good promotion itself since it is designed in unusual way.

Another factor that could influence is higher prices of the imported coffee or any other supplements needed for the business. That is, prices of milk, coffee cups, and spare parts for the coffee maker or the bike as a whole. If price of any of these supplements raises, it affects the price of the coffee.

7.1.3 The Socio-Cultural Environment

As it is in every company, one of the main goals is to keep good relationship with customers and within the company. That means that creating good name among customers is as important, as having good atmosphere inside the company. The reason is that if the employers and employees have good relationship between themselves, it is much easier to create good name of the brand among the public, more importantly customers.

It is visible, that in Coffee Express this works perfectly. The owners of the company created great atmosphere within their part-time employees and what is more, all employees are

approximately at the same or similar age, therefore the communication is pleasant and easy for them. Good relationships are also created by similar standards of living. Since all the employees are in similar age and share the same passion about the coffee culture, there is no problem in this field. The atmosphere among the personnel in this company is possible to call almost family like.

Also relationship with company's customers is on very good terms. Since there is no problem or misunderstanding among the employees and the employers, it is much easier to keep good relationships with customers. For the company, it is crucial how they are being perceived by the public and its customers. For that reason, not only good services are the means how to satisfy customers. The company can also come up with extra benefits like attending some cultural events to keep in contact with customers. In Coffee Express this is set up in very good way and all the employees share the same values in this field and try to satisfy customers as much as possible.

Coffee Express also communicates with customers via Facebook and Instagram almost on daily basis which also creates good relationships with customers. Moreover, promotion is much easier and effective by using social media.

7.1.4 The Technological Environment

For Coffee Express there is no need to keep up with some types of the newest technologies. Of course, there are possibilities to change the coffee makers but that is not necessary for the business since the owners bought coffee makers of high quality right at the beginning. There is no need to subject the coffee bikes to technical checks by professionals since the whole concept, more precisely the coffee bike, was made and manufactured by its owners. That means that the owners are in a big advantage that they are able to repair all technical faults if needed. For that case, there is a place almost in the centre of the town where the bikes can be repaired if needed. This place is also used for parking the coffee bikes.

Moreover, the regular maintenance of the coffee maker and the grinder is necessary for the quality of services. That means that every owner of café needs to take care of the coffee maker and regularly check the settings of the grinder so that the quality of coffee is maintained. In this case of café, there is also needed to refill the water tank and charge the battery in the bike.

7.1.5 The Ecological Environment

Coffee Express is no harm for ecology in terms of air pollution since there is no need to use petrol or anything similar. The coffee grounds are ecologically degradable and what is more, it can be used as fertilizer. The only thing that the owners do not meet in ecological terms, are coffee cups. This café sells coffee only in coffee cups “to go” with plastic lids. This is the main thing that does not meet ecology in this company. On the other hand, the owners are considering using ecologically degradable cup. Disadvantage of this is that a higher price of these cups could cause higher prices of coffee in the future. The owners might also consider selling reusable thermo cups which customers could bring every time.

7.2 Competition Analysis

It is known that competition is one of the most powerful engines for improvement. It is crucial for each company to develop strategy how to keep its competitive advantage and deliver the added value to minds of customers (Baker 2014, 7).

There are some questions that the company should answer to know where they stand. That is, mainly against whom the company competes and who are the biggest competitors. After that, the company should be able to evaluate their competition. By evaluating is meant to analyse mainly strengths and weaknesses of competing companies and develop a strategy how to use this knowledge (Aaker 1995, 64-65).

For ever company, it is crucial to find and keep its competitive advantage because that is the main thing that makes it from different from other competitors. Even companies, in this case cafés, are based on very similar terms; every of them have its know-how and abilities (West, Ford and Ibrahim 2015, 495).

7.2.1 Mr. Coffee

Mr. Coffee is café located in centre of Zlín near the department store Golden Apple. This café was established in 2013, originally with different name (Kavárna v kostce). They offer only 100% Arabica coffee and every day, they offer two types of coffee for the customers. In 2014 they developed the café and started to roast coffee beans right in the café. The fact, that they offer their own product, coffee beans roasted in Zlín, creates a big competitive advantage for them. Not only they prepare their own coffee, it is possible for customers to buy the product right in the café. Prices are comparable to Coffee Express (Mr. Coffee, 2018).

7.2.2 Kavárna Továrna

Kavárna Továrna is a café based on industrial design and is located in 13th building in campus of Svit. Their biggest competitive advantage is that they have the space to host various types of events like concerts, talks with speakers, discussions etc. They also allow exhibitions of pictures done by artists. Nonetheless, prices are not so pleasant. In this café is everything overpriced in comparison with other cafés in Zlín (Kavárna Továrna, 2018).

7.2.3 Kafö

Kafö is a small café established in 2016 in Zlín. They offer high quality coffee, breakfasts and snacks. This place might be searched by vegans because they offer vegan food, unlike other cafés in Zlín. This might be their biggest advantage. On the other hand, disadvantage is that this place is small and only few people can sit there at once. That might be disadvantaging both the café and customers. Another disadvantage might be absence of a website (Facebook, Kafö 2018).

7.2.4 Kafec Zlínský

Kafec Zlínský is a café which has its roots in Brno. There this café was established in September 2010. In November 2016 they opened another branch in Zlín near hotel Moskva. This company specializes not only on basic espresso making; they also focus on brewing and offer filtered coffee. This might be considered as competitive advantage in comparison to other cafés in Zlín, because they offer a lot of additional alternations of coffee unlike their competitors. Customers also can choose from two types of coffee and from varied menu offer. As disadvantage might be considered the way they prepare espresso. Espresso in this café is made out of 15 grams of coffee which is usually double dose. In other words, for people who do not drink coffee on daily basis might be this amount of coffee too much (Kafec, 2018).

7.3 Benchmarking

Chart below compares criteria of competing companies from Zlín. Compared criteria are product, price, quality, communication and personnel. Rating scale is from 1 to 10, whereas 1 is the worst and 10 is the best on rating scale.

Table 3: Benchmarking

Company/ Criteria	Coffee Ex- press	Mr. Coffee	Kavárna Továrna	Kafec Zlínský	Kafö
Product	10	10	8	10	10
Price	8	8	6	7	8
Quality	10	10	8	10	10
Communication	6	8	7	8	9
Personnel	10	10	8	9	10

Based on the rating, the main issue of Coffee Express is price and communication. Even this café could be considered as promotion itself, still there are areas that could be improved. Although Coffee Express communicates with customers on social media on daily basis, the website is being overlooked, in other words, customers are not aware about this website and its functions. Crucial function and one of the main reasons why the website was set is the possibility to watch the location of coffee bikes. Nevertheless, owners of the company neglected communication in this field, so customers do not know about this function. Therefore communication with customers can be considered as weakness of this company. Even prices are reasonable; it is not the tool the owners chose how to gain customers. For that reason prices are set on similar level as the competition. Quality is ensured by good training of part time workers and high quality coffee. This café provides to customers their own brand of coffee and they care about the quality of product and services. Based on the rating, it could be said that in all compared cafés, including Coffee Express, the owners take care about the product and quality of services. For that reason,

these two subjects can be considered as strengths of analysed company, Coffee Express. Another valuable strength of this company is its personnel. Quality of services is also based on employee access to customers and based on observation; this is one of the good qualities of this company.

7.4 SWOT ANALYSIS

7.4.1 Strengths

- Ability to move the coffee bike – location advantage
- Location of the parking garage
- Two coffee bikes
- Own coffee brand
- Clear remembrance thanks to its uniqueness
- Unusual design of café
- Good menu design – explained in detail
- Good relationships among employees
- Time flexibility of employees – most of the employees are students
- Good relationships in the company
- Loyal a regular customers
- Coffee catering for private events

One of the biggest strengths of the Coffee Express is their ability to move. The concept is based on mobility and the advantage of being able to ride the coffee bike basically anywhere it is possible. In the last year, the owners put into operation another coffee bike. That means that now they are able to be on two places at the same time, therefore gain more customers and achieve higher profit. If any fault appears, often it is possible to repair the damage very quickly because of the good location of the parking garage.

Other big strength of Coffee Express is that they sell their own brand of coffee. The owners care about the quality of coffee and also the way it is prepared. For that reason, every of baristas was trained to prepare the coffee professionally and educated about what coffee do they offer and everything connected to this field. What is more, educated personnel also creates good image of the brand. This leads to repeated purchases and loyalty of customers.

The most attractive thing about Coffee Express is probably only its appearance and as valuable strength can be considered only its uniqueness. The fact that it is a bike from with

people can buy coffee is promotion itself. People are enabled to observe how the coffee is prepared and that might be one of the biggest advantages of this company. Also on each coffee bike there is a board which contains detailed explanation of what each coffee drink consists and in what proportion.

Coffee Express employs mainly young student and the owners create perfect atmosphere and good conditions for them. The part-time workers have good relationship among them therefore the family atmosphere is also visible to the customers. The advantage of employing young students in this case is their flexibility and free time that they use to work in this company.

This café is also able to provide coffee catering in other cities. The owners are able to transport coffee bikes to other cities. They provide catering on private events for companies, weddings or any other type of private events.

7.4.2 Weaknesses

- Slight differentiation from competition in terms of the product offer
- Price
- No full time employees
- Unbalanced quality of service
- Insufficient promotion (website)
- Absence of café

As one of the weaknesses can be considered that the product offer of this café is not different from the competition. Coffee Express does not offer anything additional in comparison to its competition, which is an overall problem of coffee industry. Although unlike their competitors Coffee Express does not offer any alternative preparation of coffee. Also the price might be a factor that could lead customers to competition. Coffee Express sells coffee for approximately same price as other cafés in Zlín and that could also affect the visit rate considering that Coffee Express offers only coffee and does not have a place where to sit.

As mentioned, the owners do not employ baristas for full time job. They only employ students as part time workers. That might cause lack of work power during noon hours since students are mostly available mainly afternoon.

Another observed weakness is unbalanced quality of service depending to who is serving. Based on the observation and the research, some customers are not satisfied with services provided by some of the employees.

Coffee Express also created website where they inform not only about the services and the company itself but also about the location of coffee bikes. Although in order to insufficient promotion, customers are not aware of this function or the website. Most customers watch only Facebook and Instagram pages.

As it is visible, this company lacks café. They possess only coffee bikes that move around the town, but there is no possibility to come to regular café, where customers could sit and spend some time. Coffee bikes are attractive and interesting way how to sell coffee but during winter, customers could appreciate place where they could sit and also eat.

7.4.3 Opportunities

- Monopoly – no similar kind of café in Zlín
- Entry to new market in other cities, also to Slovak market
- Higher standard of living – people are interested more in ‘coffee culture’ and care about the quality of coffee
- Development of promotion
- Keeping the customers loyalty by providing them promotional items
- Support from organizations that function in Zlín (Student union TBU, Creepy studio)

Coffee Express can be considered as a monopoly since there is no similar type of café in Zlín or in the near distance. This company might be able to enter new markets in other cities because the awareness of Coffee Express is being spread and the owners are working on better promotion of the coffee catering and the company itself.

People care more about the quality of food and drinks. There is no exception with coffee and customers demand high quality coffee and are interested in what they buy.

Promotion is not yet so developed in this company. For that reason, it could be considered as opportunity how to spread awareness about the services by improving promotion. Coffee Express introduced new well designed website where it is possible to observe where the coffee bikes are standing and for how long. It is only needed to spread this information among the customers.

7.4.4 Threats

- Loss of customers due to high competition
- Frequent change of employees
- The sensitivity of customers to the price
- New legislation, change of rules, new restrictions
- Weather

Threat for every business is always existence of competition. In case of appearance of new company on the market, it is always hard to keep the loyalty of the customer since people tend to try new thing more than they used to. Also, in order to gain customers new companies often under-price their product at the beginning. That could lead to loss of customers. For that reason, company needs to keep good relationship with their customers and provide them with some bonuses as a reward for their loyalty.

Also frequent change of employees could cause harm on the company culture. Since all the employees are part-time workers and students of high school or university, they do not spend much time in one place, therefore the owners still need to look for new personnel. That means to train new people and educate them about what they need to know to provide good services to customers. In this case it also means more responsibilities and work for owners of the café. The fluctuation of employees could break the good atmosphere among the team.

As every business, Coffee Express is also affected by legislation and needs to function according to certain rules. Moreover, this company is not usual type of business and functions on special terms. So if some new restrictions appear, the business could suffer on that.

The biggest threat for Coffee Express is weather. Since the employees with coffee bikes are not able to ride the bike to streets if it is raining or if the temperature is below 0°C, the opening hours of this café are dependable on the weather probably more than on anything else. That means, that if the weather is not acceptable enough to open the business, the company loses the profit and the barista is not paid for the day he was supposed to take the shift. This is a big disadvantage for both the company and the employee. Moreover, spring and summer seasons are crucial for Coffee Express for making profit. That is, because in autumn and winter the traffic of customers is lower. For that reason, this café needs to make high profit in spring and summer to be able to function whole year.

8 QUESTIONNAIRE ANALYSIS

Part of this Bachelor thesis is also questionnaire focused mainly on customers' satisfaction. This questionnaire is rather short, consisting of only eight closed question and one open question. It was focused mainly on people who know and use Coffee Express. This questionnaire was answered mainly by people age from 15 to 35 years old which corresponds with the main audience of this company.

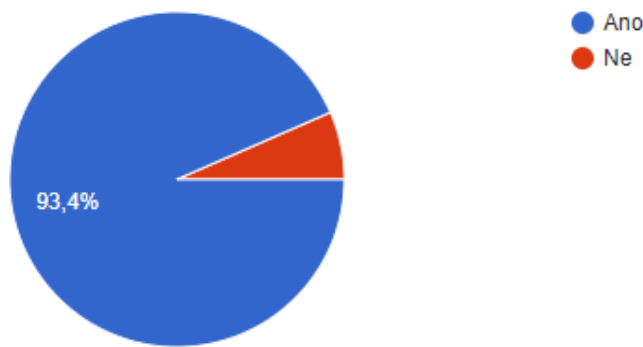
Questionnaire was anonymous and sent to people via Google Disk. There were 351 respondents that completed the questionnaire. Respondents were from Czech Republic or Slovak Republic therefore the questionnaire is in Czech language.

The purpose of this was to find out if customers are satisfied with the product and services of Coffee Express. It was also designed to find out if customers would change something about this company in terms of product, services, quality or anything else. Also one of the reasons to create the questionnaire was to find out if customers follow website of this company and are aware about the location tracking function. Thanks to this questionnaire it is possible to recommend and suggest change to this company that could help to meet customers' requirements and wishes and therefore increase satisfaction, possibly gain more customers.

8.1 Analysis of questions

1. Znáte Coffee Express?

First question was very easy and meant to find out if respondent knows this company or not. That was because of the reliability of respondent. If someone does not know Coffee Express, answers from them would be probably worthless for the research and for them very hard to answer since the whole questionnaire was targeted on customers of this company. Nonetheless, most of respondents answered that they know this company, more precisely 93.4% are aware of this company operating in Zlín.



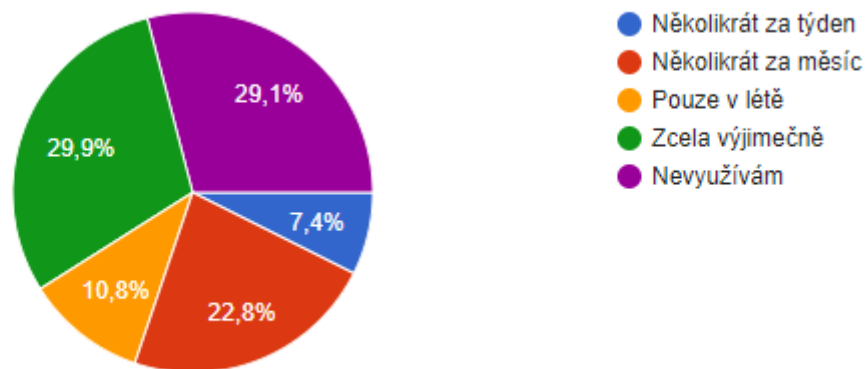
Source: own processing

Figure 1: Znáte Coffee Express?

2. Jak často využíváte služeb této pojízdné kavárny?

Second question was focused to find out how often customers visit Coffee Express. There were five different types of answers because this company is very special type of café and some customers might visit only in certain time of year. Then there are women on maternity leave who walk through town every day and therefore meet Coffee Express every day. These women might be the respondents who answered that they use services of Coffee Express several times a week. The most frequent answer was that respondents use services only exceptionally (29.9%). The second most frequent answer was that respondents do not use services of Coffee Express. For these respondents, questionnaire ended and their answers were not needed anymore since other questions were meant for customers of this café.

As it is visible 10.8% of respondents buy coffee there only in summer. That might be caused by the fact, that people see this company as only seasonal and therefore use it only when the weather is pleasant and it is possible to spend time outside.

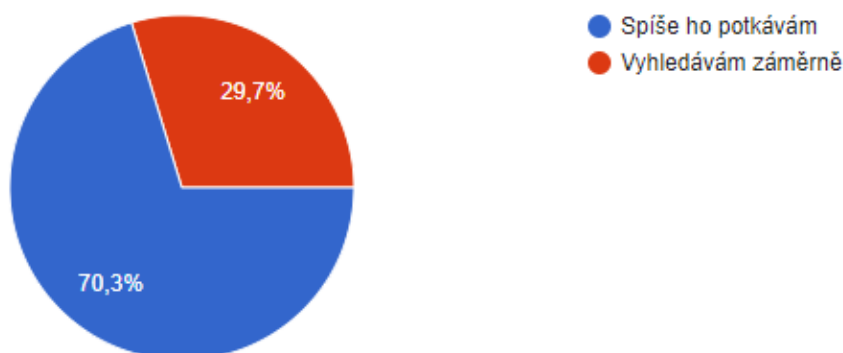


Source: own processing

Figure 2: Jak často využíváte služeb této pojízdné kavárny?

3. Vyhledáváte Coffee Express záměrně, nebo ho spíše potkáváte v ulicích?

From the third question, there were only 249 respondents continuing in the questionnaire because 29.1% of respondents answered that they do not use services of this café, as it is visible from the previous graph. This question was included to find out, if customer search for Coffee Express to buy a cup of coffee or if they only meet unintentionally the coffee bikes in the streets. From this research it is visible that most customers only meet Coffee Express that is 70.3%. The goal of Coffee Express owners is to persuade more customers to look for the services intentionally.

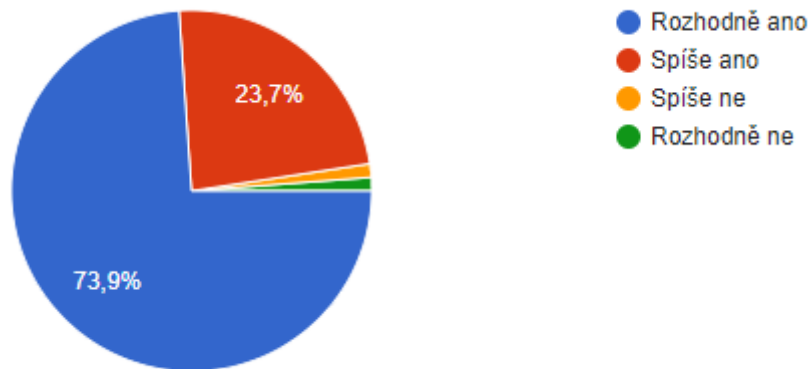


Source: own processing

Figure 3: Vyhledáváte Coffee Express záměrně, nebo ho spíše potkáváte v ulicích?

4. Jste spokojeni se servisem a nabídkou?

For question four, there were four different possibilities how customers could answer. Most frequent question about satisfaction with services was that customers are absolutely satisfied with provided services. Although it is visible that also small percentage of respondents expressed their dissatisfaction.



Source: own processing

Figure 4: Jste spokojeni se servisem a nabídkou?

5. Je něco, co by se podle Vás dalo zlepšit?

The only open question in this questionnaire was question number five. It was not obligatory for the customers to respond to this question and only 70 people out of 249 answered with their suggestions for improvement or changes. Most people who responded to this questions claim that there is no need for improvement.

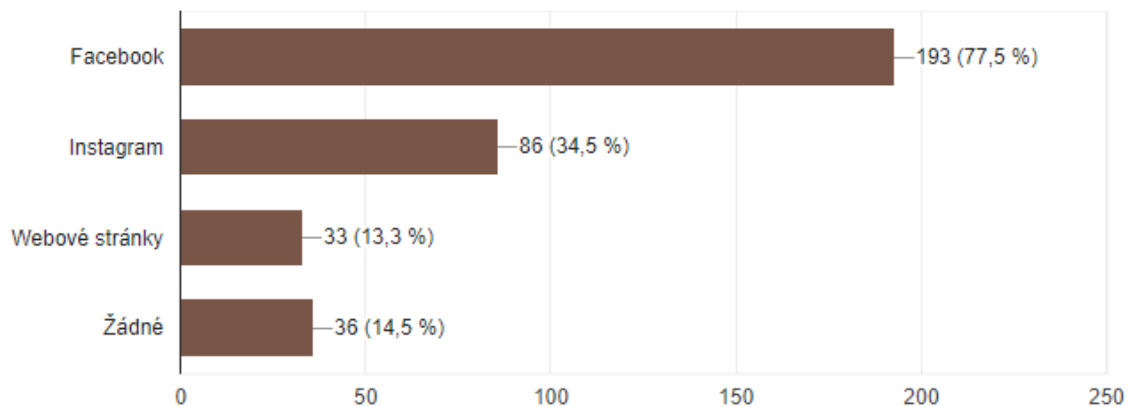
There are most frequent answers and suggestions from customers:

- Quality of coffee
- Coffee holder – for people who buy more than one coffee. Coffee holder makes it easier to carry more coffee drinks at once.
- Drinking water for coffee. Some people lack the possibility to take a drinking water along with coffee.
- Behavior of baristas – some respondents answered that some of the Coffee Express employees do not behave in a pleasant way. In other words, they recommended some baristas should be more optimistic and communicate with customers during the purchase.
- Vegan alternation of milk
- Drinking water – customers lack the possibility of taking drinking water with them along with the coffee
- Ecological behaviour – some customers recommended usage of ecologically degradable coffee cups or reusable thermo cups for sale.
- Continuity programs – some of the respondents mentioned that they would appreciate continuity programs. In other words, reward for their purchases, for example every 10th coffee for free.
- Regular café – in the questionnaire also appeared answers that some of the customers would appreciate if Coffee Express established regular café in center of the city, where they could sit and also eat.
- Lower prices

In the questionnaire, there were also answers that people would like ice coffee or information about location of the coffee bikes. These two things are already established in Coffee Express. This could mean that this company does not manage its promotion well.

6. Sledujete stránky Coffee Express? (Facebook, Instagram, webové stránky)?

In question number 6, respondents were enabled to answer with more than one possibility. It was focused on social media and how many customers follow Facebook, Instagram and a website. Most respondents follow mainly Facebook which was expected. Only small percentage of customers follow Coffee Express website.

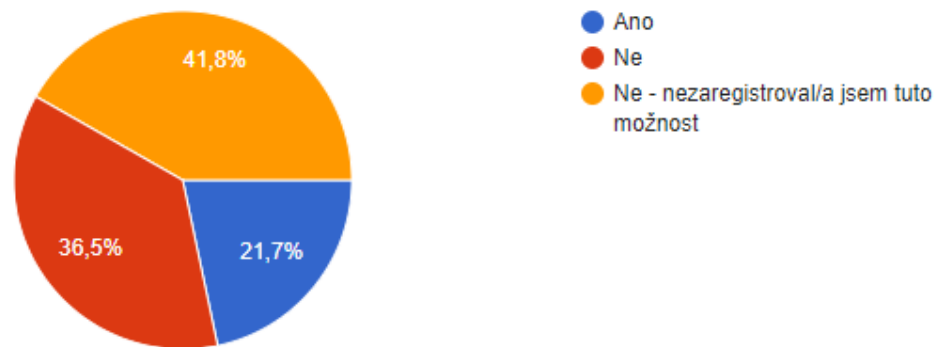


Source: own processing

Figure 5: Sledujete stránky Coffee Express? (Facebook, Instagram, webové stránky)?

7. Využíváte sledování lokace kávových kol na webových stránkách?

This question was focused to find out if customers know about the website and use it to watch where the coffee bikes are standing at current moment. From answers it could be said, that Coffee Express underestimated promotion of newly created website because most of the respondents are not aware that they can follow location of the coffee bikes. Only 21.7% of respondents know and use the location tracking of Coffee Express bikes.

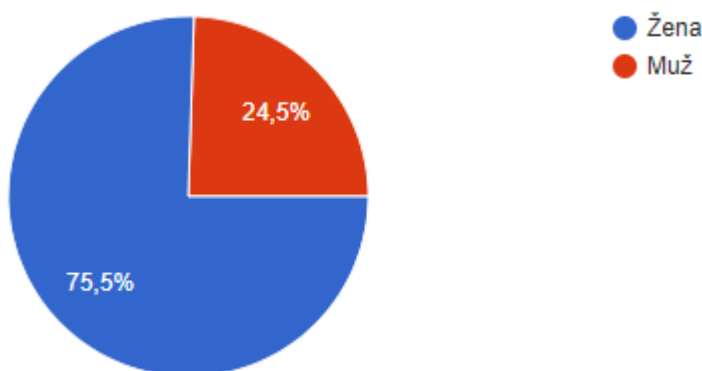


Source: own processing

Figure 6: Využíváte sledování lokace kávových kol na webových stránkách?

8. Jste žena/muž

Last but one question was meant to find out who were the respondents. By that might also be visible who are the most frequent customers, if women or men.



Source: own processing

Figure 7: Jste žena/muž

9. Věk

Respondents of this questionnaire were mostly of age from 15 to 35. This also shows the most frequent group of customers who purchase from Coffee Express. Including the previous question, it could be said, that most frequent customers are woman from age 15 to 35. Only little percentage of respondents was in age over 35.

The goal of this questionnaire was to find out if customers are satisfied with the services and if they would change something in terms of product, services or the company itself. They were enabled to answer without being limited. As expected, many customers answered that they would appreciate vegan alternation of milk since many of them cannot or do not want to drink cow milk. Moreover many respondents answered that they miss the possibility of continuity program which was also expected. Important part of the questionnaire was question including website and the location tracking. It was expected that most customers do not know about this function therefore it will be recommended to change strategy in terms of promotion. Unexpected were answers commenting about the absence of regular café in Zlín. Nonetheless, this might mean that this company has the potential to open another, not movable, café in Zlín and keep the loyalty of customers even in this business.

9 MODIFICATION OF THE MARKETING MIX

9.1 Product

Even Coffee Express offers various types of coffee and baristas are able to prepare basically anything that customer would ask, there are still some areas that could be improved. Some customers might appreciate brewed coffee not only espresso based one. This kind of coffee could be included in morning offer till sell out. Also some seasonal offers might gain more customers or at least please the current customers with something new and unusual.

Moreover, it might be beneficial for the company, if they added more types of coffee. Coffee Express offers only one type of coffee beans, bitter Brazilian 100% Arabica coffee. Some of the regular coffee drinkers might appreciate change in terms of coffee flavour. For that reason, Coffee Express owners should try to include one or two more types of coffee.

These days it is more and more popular for people to live by vegan lifestyle and that affects this company, too. Most of the coffee drinks are made with whipped cow milk. That discourages people, who do not drink cow milk, from the purchase. For that reason, Coffee Express should include vegan alternation of milk to the offer and keep and satisfy also customers who live by vegan lifestyle.

9.2 Price

Even prices seem reasonable and are on same level as this company's competitors, still according to the research, some customers would appreciate lower prices for coffee. Since the most frequent customers of Coffee Express are students and women on maternity leave, this problem is understandable.

According to the observation of these customers purchases, they buy mainly cappuccino and café latte. The owners might try to lower the price of these two coffee drinks and observe if more of these clients come or not. If they do, then the lower price might not be so harmful for the company.

Although, if owners add the vegan alternation of milk to their menu, customers will pay more for coffee made with this substitute. That is, because these milk substitutes are much more expensive than the cow milk.

9.3 Place

Coffee Express owner possess two coffee bikes. Usually, only one coffee bikes rides to the town every day and the second one is still, and not in use, in theatre or in garage. The owners might try to put in action both of coffee bikes at once. That means that they should come up with different route for the second bike. Moreover, they are allowed to stand on more places than they are able to use with only one bike, which is great opportunity for them to use the other bike at the same time, too.

The first bike would still undertake the same route as it did till today. The second bike might start at morning next to 21st building. After three regular hours, it could continue to Trh pod Kaštany and stand there for another three hours. The last station might be the square or again the area where is the 21st building. The owner would have to try, which of these possibilities is better for the business.

This would probably mean that Coffee Express would need more employees. Nonetheless, this should not be a biggest obstacle since Zlín is city full of students looking for part-time job.

9.4 Promotion

9.4.1 Sales promotion

Coffee Express uses some tools of sales promotion or some are in progress. Still there are fields of sales promotion that are not fulfilled and that might have influence on customers' behaviour, too. Firstly, many regular coffee drinkers are used to continuity programs from other cafés not only in Zlín but in most cafés in general. Coffee Express does not offer this possibility which might discourage customers who often spend their money there. People are used to rewards from companies for their purchases and they expect the same behaviour from this company, too. Continuity program could be based either on every 10th coffee for free, or the owners can decide what the reward should be.

9.4.2 Digital marketing – website

As was mentioned before, promotion, in terms of website, is not sufficient in this company. Coffee Express established its website in October 2017, mainly to inform about services they provide and to inform their customers about a location of the coffee bikes. Still most customers do not use it and do not know about this function while demanding it. Facebook

and Instagram pages are broadly followed by customers, therefore the owners should promote their website more on these social media. It is essential to inform about existence of this website also because of the information about services provided by this company. Website also includes information that Coffee Express offers to transport the coffee bike anywhere it is needed. Increasing awareness about the website, therefore the services, could lead to increased demand of coffee catering therefore higher profit.

10 ASPECTS OF THE SUGGESTED CHANGES

In this chapter, there are two possibilities how suggested changes could influence the business. There are possibilities how to make the changes quickly, although it would be financially demanding for the company. The owners might also decide for less expensive possibility. Nevertheless, that would mean to spend more time to realize all the changes and improvements.

10.1 Expensive

10.1.1 Product

In order to the demand of including brewed coffee to the menu, it is needed to buy new equipment for this process. That is, because it is impossible to prepare brewed coffee with the coffee machine Coffee Express already possesses. These machines are used only for espresso based coffee drinks.

One of many possibilities is this so called Moccamaster available on website www.doubleshot.cz. The preparation of 1.25 l of coffee and water heating takes approximately 6-8 minutes therefore it is not time demanding at all and only one person is needed to prepare the coffee.

Table 4: Moccamaster KBGT-741

Moccamaster KBGT-741	5999 CZK
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Source: doubleshot.cz, 2018

Picture 7: Moccamaster KBGT-741

10.1.2 Price

According to the research, many customers would appreciate vegan alternation of milk. Since this kind of milk is much more expensive than cow milk which is used in this café, prices of coffee drinks would need to be higher than prices of coffee prepared with cow milk. Although, vegan alternation milk are less common than cow milk, these days it is established and therefore not time demanding to get this milk. It is available almost in every grocery store. That means that it is not time demanding to get different types of milk.

Table 5: Comparison of prices of milk alternatives

Cow milk	Approx. 25 CZK
Vegan alteration of milk (almond, soya, rice)	Approx. 70 CZK

Following table shows how the prices would raise, if the owner included vegan alternation of milk into menu.

Table 6: Comparison of prices

	Cow milk	Vegan alternation
Cappuccino	48 CZK	Approx. 63 CZK
Café latte	55 CZK	Approx. 70 CZK

10.1.3 Place

According to the suggestion about using both of the coffee bikes at one time, it means that this company would need to hire more employees. Considering the current situation, Coffee Express should hire at least 6 to 8 more baristas for fluent operation of second coffee bike. Employees are paid per hour.

10.1.4 Promotion

- Offline promotion

There is possibility how to promote services and website without using social media. This might be more comfortable and pleasant for people who do not use social media and still want to know about services offered by this café. Moreover, for Coffee Express, this kind of promotion might be beneficial in terms of creating awareness among people, who do not use social media. Also many people over age 45 still do not have Facebook profile.

Coffee Express might try to use printed leaflets, brochures, business cards and continuity program cards. On these promotional materials, there could be written information about Coffee Express, services they offer, contacts to the owner in case someone would like to use the services. Business cards would be used mainly to deliver contacts, website, Facebook page and Instagram. Cards for continuity program would carry only information about social media and website.

This kind of promotion is quite expensive because of printing all of the materials in good and representative quality.

Here are approximate prices of promotional materials. Prices are set according to the average offer of Zlín companies.

Table 7: approximate prices of promotional materials

Leaflets	1000 pcs	2650 CZK + 21% VAT
Brochures	1000 pcs	3050 CZK + 21% VAT
Business cards	1000 pcs	1167 CZK + 21% VAT
Continuity program cards	500 pcs	583 CZK + 21% VAT

- Online promotion

Online promotion can be either for free or paid. This decision is up to the owners but paid posts on social media have greater impact, therefore more people are likely to see the posted information. It is up to the owners how much money they want to invest in online promotion, according to how many days they want to promote the current post. The more money they invest, the more days it will be sponsored.

10.2 Less expensive

10.2.1 Product

As mentioned before, it is not possible to prepare brewed coffee with help of coffee machine possessed by Coffee Express. It is not necessary to buy expensive brewing machine as was showed earlier. There are devices which are sufficient for preparation of brewed coffee. These devices are called V60 and French press and it is possible to buy them quite cheaply. Although, this possibility is cheaper but it is more time consuming. V60 is adapted for only one cup of coffee so it would need to be done directly during the purchase, which means that the customer would have to wait much longer for brewed coffee than for espresso. French press has maximum volume of 1 liter.

Table 8: Equipment for Brewed Coffee

V60	Approx. 400 CZK
French press 1 liter volume	Approx. 500 CZK



Source: doubleshot.cz, 2018

Picture 8: V60



Source: alza.cz, 2018

Picture 9: French Press

10.2.2 Promotion

- Offline promotion

To make it less expensive, Coffee Express might try to print only continuity cards since it is highly demanded by customers. These cards would carry information about website and contacts.

Table 9: Continuity program

Continuity program cards 1000 pcs	1166 CZK + 21% VAT
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- Online promotion

It is possible to promote the company without printing huge amount of promotional materials. The company can use only online promotion and invest money to sponsored posts on social media such as Facebook and Instagram. There is no need to invest in post on these social media although the more money the company invests, the more days it will be sponsored. That means that more people are likely to see sponsored post than the unsponsored one.

Price and place are on the same level in both expensive and less expensive possibilities.

11 RECOMMENDATIONS AND SUGGESTIONS

After the marketing mix analysis, I would recommend to Coffee Express some possible solutions how to improve their communication and operation in some fields. I will also suggest one possibility that could be considered as new vision to the future of this company.

According to the analysis, the promotion mainly of new website is insufficient. For that reason, I would recommend one of the suggested possibilities how to improve promotion. My recommendation is to use the less expensive one. It is well known that printed promotional materials, such as leaflets, brochures etc. are not so efficient these days. Much more people search for information on the internet, more precisely on social media. For that reason I suggest to use Facebook and Instagram pages and to sponsor some post which inform about the website and its functions. I also recommend investing money in those posts in order to spread the information about location of the coffee bikes and services provided by Coffee Express. The only materials I suggest to print are continuity program cards. Firstly, regular customers demand rewards for their purchase and this is the easiest way for the owners how to satisfy their customers. These cards could carry information about the website and its basic functions, therefore location and coffee catering.

My other recommendation is to keep and still improve the communication with customers. That could be done by organizing coffee workshops, discussions about any field in coffee culture for people who are interested. These days more people are interested in coffee culture and these activities might be highly appreciated and therefore boost Coffee Express image.

I would also recommend to the owner to think about other possibility that could be realized in the future. According to the questionnaire, some regular customers would appreciate regular café based in building where they could spend some time, sit, talk and also eat. I think that this might be an alarm for this company to think about future in terms of growing the business not only with the coffee bikes. I think that this company has the potential to build café in Zlín. They would also have full support from both their employees and customers.

CONCLUSION

Goal of this Bachelor thesis was to analyse current state of marketing mix and its tools used by Coffee Express, which provides services connected to coffee industry. After this analysis, I suggested some steps how to improve certain areas in this business from the marketing point of view.

Theoretical part provides information about marketing, marketing mix and its tools. It also describes the functions of SWOT and PESTLE analyses.

At the beginning of practical part, there is description of Coffee Express and the services they provide. Crucial in this part was analysis of current marketing mix in the company. In most aspects, this part went as expected and the analysis confirmed that this company still has to improve their services or communication in some areas. After marketing mix, there is PESTLE analysis followed by competition analysis and benchmarking, where competitive advantages of individual companies were discussed. Also SWOT analysis is included in practical part where were defined strengths and weaknesses as well as threats and opportunities of this company.

In my Bachelor thesis, I included also questionnaire which was aimed at customers of Coffee Express and people who live in Zlín or are aware of this company. Answers of customers were also considered when creating the recommendation for this company. In conclusion of this Bachelor thesis, there are recommendations how to improve some of the areas in this business.

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LIST OF ABBREVIATIONS

PESTLE Political Environment, Economic Environment, Socio-Cultural Environment,
Technological Environment, Legal Environment, Ecological Environment

SWOT Strengths, Weaknesses, Opportunities, Threats

VAT Value Added Tax

GDP Gross Domestic Product

4Ps' Product, Place, Price, Promotion

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APPENDIXES

1) Questionnaire

Coffee Express Zlín

Dobrý den, ahoj! Následující formulář je zaměřen na vnímání firmy Coffee Express. Jeho vyplněním přispějete k dokončení mé bakalářské práce a jistě se Vám tento dobrý skutek v budoucnu vrátí. Třeba formou dobré kávy od usmívajícího se baristy. Děkuji!

Znáte Coffee Express?

- Ano
- Ne

Jak často využíváte služeb této pojízdné kavárny?

- Několikrát za týden
- Několikrát za měsíc
- Několikrát týdně
- Zcela výjimečně
- Nevyužívám

Vyhledáváte Coffee Express záměrně, nebo ho spíše potkáváte v ulicích?

- Spíše ho potkávám
- Vyhledávám záměrně

Jste spokojeni se servisem a nabídkou?

- Rozhodně ano
- Spíše ano
- Spíše ne
- Rozhodně ne

Je něco, co by se podle Vás dalo zlepšit?

Sledujete stránky Coffee Express? (Facebook, Instagram, webové stránky)

- Facebook
- Instagram

- Webové stránky
- Žádné

Využíváte sledování lokace kávových kol na webových stránkách?

- Ano
- Ne
- Ne – nezaregistroval/a jsem tuto možnost

Jste žena/muž

- Žena
- Muž

Věk

- 15-24
- 25-34
- 35-44
- 45 a více