

Analysis of Marketing Communication at the ABECEDA s.r.o. Language School

Lukáš Valach

Bachelor Thesis
2010



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně
Fakulta humanitních studií
Ústav anglistiky a amerikanistiky
akademický rok: 2009/2010

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Lukáš VALACH**
Studijní program: **B 7310 Filologie**
Studijní obor: **Anglický jazyk pro manažerskou praxi**

Téma práce: **Analýza marketingové komunikace jazykové školy
Abeceda, s.r.o.**

Zásady pro vypracování:

Zpracujte teoretická východiska týkající se hodnocení jednotlivých nástrojů marketingových komunikací.
Charakterizujte společnost Jazyková škola Abeceda, s.r.o. a její dosavadní komunikační aktivity.
Analyzujte na základě dostupných zdrojů komunikační mix firmy.
Zhodnoťte hypotézy a navrhněte možná řešení v oblasti marketingového mixu a získávání zpětné vazby.

Rozsah práce:

Rozsah příloh:

Forma zpracování bakalářské práce: **tištěná/elektronická**

Seznam odborné literatury:

Armstrong, Gary, Philip Kotler, John Saunders, and Veronica Wong. Principles of Marketing. London: Prentice-Hall, 1998.

Lovelock, Christopher, and Christopher H. Lovelock. Principles of Service Marketing and Management. Alexandria, VA: Prentice Hall, 1999.

Putman, Anthony O.. Marketing Your Services: A Step-by-Step Guide for Small Businesses and Professionals. New York, NY: Wiley, 1990.

Zeithaml, Valarie, and Mary Bitner. Services Marketing: Integrating Customer Focus Across The Firm, 3rd. New York: Mgw-Hill College, 2002.

Blattberg, Robert C., Gary Getz, and Jacquelyn S. Thomas. The Marketing Mix. Boston: Harvard Business Review, 2001.

Drummond, Graeme, and John Ensor. Introduction to Marketing Concepts. St. Louis: Butterworth-Heinemann, 2005.

Vedoucí bakalářské práce:

Mgr. Jan Pospíšil

Ústav managementu a marketingu

Datum zadání bakalářské práce:

8. ledna 2010

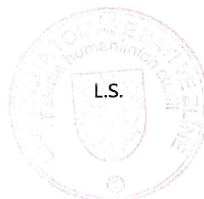
Termín odevzdání bakalářské práce:

7. května 2010

Ve Zlíně, dne 8. ledna 2010



prof. PhDr. Vlastimil Švec, CSc.
děkan



doc. Ing. Anežka Lengálová, Ph.D.
vedoucí katedry

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

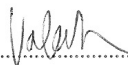
Beru na vědomí, že

- odevzdáním bakalářské práce souhlasím se zveřejněním své práce podle zákona č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, bez ohledu na výsledek obhajoby ¹⁾;
- beru na vědomí, že bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému dostupná k nahlédnutí;
- na moji bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3 ²⁾;
- podle § 60 ³⁾ odst. 1 autorského zákona má UTB ve Zlíně právo na uzavření licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona;
- podle § 60 ³⁾ odst. 2 a 3 mohu užít své dílo – bakalářskou práci - nebo poskytnout licenci k jejímu využití jen s předchozím písemným souhlasem Univerzity Tomáše Bati ve Zlíně, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše);
- pokud bylo k vypracování bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tj. k nekomerčnímu využití), nelze výsledky bakalářské práce využít ke komerčním účelům.

Prohlašuji, že

- elektronická a tištěná verze bakalářské práce jsou totožné;
- na bakalářské práci jsem pracoval samostatně a použitou literaturu jsem citoval. V případě publikace výsledků budu uveden jako autor.

Ve Zlíně 7.5.2010



¹⁾ zákon č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, § 47b Zveřejňování závěrečných prací:

(1) Vysoká škola nevydělčně zveřejňuje disertační, diplomové, bakalářské a rigorózní práce, u kterých proběhla obhajoba, včetně posudků oponentů a výsledku obhajoby prostřednictvím databáze kvalifikačních prací, kterou spravuje. Způsob zveřejnění stanoví vnitřní předpis vysoké školy.

(2) Disertační, diplomové, bakalářské a rigorózní práce odevzdané uchazečem k obhajobě musí být též nejméně pět pracovních dnů před konáním obhajoby zveřejněny k nahlédnutí veřejnosti v místě určeném vnitřním předpisem vysoké školy nebo není-li tak určeno, v místě pracoviště vysoké školy, kde se má konat obhajoba práce. Každý si může ze zveřejněné práce pořizovat na své náklady výpisy, opisy nebo rozmnoženiny.

(3) Platí, že odevzdáním práce autor souhlasí se zveřejněním své práce podle tohoto zákona, bez ohledu na výsledek obhajoby.

2) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 35 odst. 3:

(3) Do práva autorského také nezasahuje škola nebo školské či vzdělávací zařízení, užije-li nikoli za účelem přímého nebo nepřímého hospodářského nebo obchodního prospěchu k výuce nebo k vlastní potřebě dílo vytvořené žákem nebo studentem ke splnění školních nebo studijních povinností vyplývajících z jeho právního vztahu ke škole nebo školskému či vzdělávacímu zařízení (školní dílo).

3) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 60 Školní dílo:

(1) Škola nebo školské či vzdělávací zařízení mají za obvyklých podmínek právo na uzavření licenční smlouvy o užití školního díla (§ 35 odst.

3). Odpírá-li autor takového díla udělit svolení bez vážného důvodu, mohou se tyto osoby domáhat nahrazení chybějícího projevu jeho vůle u soudu. Ustanovení § 35 odst. 3 zůstává nedotčeno.

(2) Není-li sjednáno jinak, může autor školního díla své dílo užit či poskytnout jinému licenci, není-li to v rozporu s oprávněnými zájmy školy nebo školského či vzdělávacího zařízení.

(3) Škola nebo školské či vzdělávací zařízení jsou oprávněny požadovat, aby jim autor školního díla z výdělku jím dosaženého v souvislosti s užitím díla či poskytnutím licence podle odstavce 2 přiměřeně přispěl na úhradu nákladů, které na vytvoření díla vynaložily, a to podle okolností až do jejich skutečné výše; přitom se přihlédne k výši výdělku dosaženého školou nebo školským či vzdělávacím zařízením z užití školního díla podle odstavce 1.

ABSTRAKT

Czech abstract

Předmětem této bakalářské práce je zhodnocení a navržení nového komunikačního mixu v jazykové škole ABECEDA s.r.o. Práce je rozdělena na dvě části: teoretickou a praktickou. V teoretické části jsou popsána východiska pro formování nástrojů marketingové komunikace a její následné začlenění do marketingového mixu. V praktické části jsou nejdříve uvedeny obecné informace o společnosti. Dále je uvedena analýza současného komunikačního mixu s vyhodnocením a navržením možného řešení, které je zapotřebí pro úpravu prvků marketingové komunikace v dané společnosti.

Klíčová slova:

MARKETINGOVÁ KOMUNIKACE, KOMUNIKAČNÍ MIX, PROPAGACE, REKLAMA, OSOBNÍ PRODEJ, VZTAHY S VEŘEJNOSTÍ, PODPORA PRODEJE, PŘÍMÝ MARKETING

ABSTRACT

English abstract

The aim of the bachelor thesis is to analyze the existing, and propose a new, communications mix at the ABECEDA s.r.o. language school. The work is divided into two parts: the theoretical and the practical. The theoretical part describes the resources available for the formation of marketing communication. The beginning of the practical part introduces the company on which subsequently an analysis of the current communications mix is based. In addition, an evaluation and final recommendations are provided since it is important to attempt to improve the elements of the communications mix.

Keywords:

Marketing communications, communications mix, promotion, advertising, personal selling, public relations, sales promotion, direct marketing

ACKNOWLEDGEMENTS

I would like to take this opportunity to give thanks and praise to my advisor, Mgr. Jan Pospíšil, for his helpful advices and professional approach to the supervision of my bachelor thesis. Furthermore, I would like to give thanks to the management of the ABECEDA s.r.o., and the director of the company Ing. Roman Šťastný for his time and useful information. Additionally, to my mother for being patient with me.

CONTENTS

INTRODUCTION	10
I THEORY	12
1 MARKETING	13
1.1 Development of marketing	13
1.2 Marketing communication within the marketing mix	14
2 MARKETING COMMUNICATIONS.....	15
2.1 Definition of marketing communications.....	15
2.1.1 Type of the product market.....	15
2.1.2 Communication process	16
2.1.3 Tools of marketing communications	16
2.2 Advertising	17
2.2.1 The objectives and types of advertising.....	18
2.2.2 Media.....	19
2.2.3 Measuring advertising effectiveness.....	22
2.3 Public Relations	22
2.3.1 The identification of internal and external stakeholders.....	22
2.3.2 Evaluation of a firm's reputation.....	23
2.3.3 Audit of a company's social responsibility.....	24
2.3.4 Formation of company's positive image	24
2.3.5 Defending the company's image using damage control	24
2.4 Publicity.....	24
2.5 Sponsorship	25
2.6 Personal selling.....	26
2.6.1 Personal selling process.....	26
2.6.2 Personal selling objectives.....	26
2.6.3 Advantages and disadvantages of personal selling.....	27
2.7 Sales promotion	28
2.7.1 Sales promotion tools	28
2.7.2 Sales promotion objectives.....	30
2.8 Direct marketing	31
2.8.1 The Benefits of Direct Marketing.....	32
II ANALYSIS	33
3 ANALYSIS OF COMMUNICATION MIX OF LANGUAGE SCHOOL	

ABECEDA S.R.O.	34
3.1 Characterization of the company	34
4 COMMUNICATIONS MIX IN 2009	37
4.1 Advertising	37
4.1.1 Internet advertising	37
4.1.2 Printed advertising	39
4.1.3 Radio and Television	40
4.1.4 Outdoor advertising	40
4.2 Public Relations	42
4.3 Sales promotion	43
4.4 Direct marketing	44
4.5 Personal sales.....	45
4.6 Customers	45
4.7 Competition	45
4.8 Total investments into the communications mix	46
5 SUMMARY OF THE ANALYSIS	48
5.1 Evaluation of the communicational activities.....	48
5.2 Positive statement	48
5.3 Negative statement.....	50
5.4 Recommendations	51
CONCLUSION	55
BIBLIOGRAPHY	57
LIST OF TABLES AND FIGURES	59

INTRODUCTION

The aim of the bachelor thesis is to analyse the communications mix and to use the findings for the improvement of elements of marketing communications in a particular company. Given that marketing communication, also called promotion, forms one of the four major elements of marketing mix, a company should properly organize the tools of its communications mix in order to effectively incorporate promotion with the other three elements of the marketing mix.

For the analysis, the author has chosen the language school ABECEDA s.r.o. a specialist in language education. The reason for this choice is grounded in previous cooperation with the company in the field of promotion, with a focus on the issue of advertising. As the company is relatively young, the issue of marketing does not contribute to the overall profit in a significant way. Thus, in the thesis the author intends to analyze the communications mix of the year 2009 as well as produce a valuable evaluation of the current condition of the tools of promotion. Additionally, on the basis of the analysis will be proposed for the improvement and possible implementation of the objectives into the communications mix.

Robert Louis Stevenson once said “*Everyone lives by selling something.*” (Kotler, Armstrong, Saunders and Wong 1999, 846)

The author takes Mr. Stevenson’s words for granted, especially in the present era, where sales impact everyone’s lives. Marketing serves to provide reasons why to buy a product as well as how to satisfy customers, and therefore advance sales. Given the language school ABECEDA s.r.o. has a weak approach to marketing and promotion, the author expects from the thesis to raise the importance of marketing and especially integrated marketing communications in the company and to increase the contribution of promotion to the overall profit of the company and to increase sales.

The thesis will be divided into theoretical and practical parts, where the first part will define the term marketing, its division and its relation to marketing communication. The later chapters will define the objectives of promotion, elements of promotion and the main promotional activities which will contribute towards a better elaboration of the practical part.

The practical part will be elaborated upon the basis of the theoretical part. It will describe the characteristics of the company, followed by an analysis of marketing communications, which will form the main part of the practical part and prepare a basis for recommendations for the improvement of the current communications mix.

I. THEORY

1 MARKETING

1.1 Development of marketing

It is believed that marketing developed in the United States of America in the second half of the twentieth century and was directed by the major consumer goods companies such as Heinz, Kellogg's, and Kodak. However, many authors date the roots of the development of marketing at the turn of the nineteenth and twentieth centuries and divide it into four eras:

- Production era: 1850s - 1920s
- Sales era: 1920s – 1950s
- Marketing Era: 1950s – present
- Relationship Marketing Era: 1990s

At the beginning of the twentieth century more and more companies entered the growing marketplace and the level of competition put them in position where, in the desire to become successful, they were forced to emphasise aggressiveness in selling. The birth of marketing came with an increase in the intensity of competitive activity, more sophisticated customers and a greater choice of products on the market. Companies then turned to anticipating and identifying their customers' needs and to gearing up design and production. (Dibb and Simpkin 2001)

Marketing emphasised the relationship with customers. The main features of modern marketing are satisfying customer needs and building valuable relationships. Perhaps, the following simple definition expresses it most clearly: *“Marketing means managing markets to bring about exchanges for the purpose of satisfying human needs and wants.”* (Kotler and Armstrong 1995, 15)

Peter Drucker, one of the gurus of modern business thinking provides perhaps one of the most famous definitions: *“The aim of marketing is to make selling superfluous. The aim is to know and to understand the customer so well that the product or service fits him/her and sells itself.”* (Dibb and Simpkin 2001, 191)

Even though there are plenty of definitions available in related literature, one has to consider that marketing is not a science, there is no single correct definition to undertaking marketing. There are, however, certain common themes.

The most important of which are:

- 1) the ability to satisfy customers
- 2) the identification of favourable marketing opportunities
- 3) the need to create an edge over competitors
- 4) the capacity to make profits to enable a viable future for the organization
- 5) that resources are utilized shrewdly to maximize a business's market position
- 6) the aim to increase market share in priority target markets.

(Dibb and Simpkin 2001)

1.2 Marketing communication within the marketing mix

Since marketing is considered in the modern sense, it is important to mention the marketing mix, which is the essential “toolkit” for the realization of marketing objectives. (Kotler and Armstrong 1995, 15) Marketing mix is a set of tactical tools that a company can control, thereby setting up supply as it best fits the customer's needs in the target market. Four basic tools serve as the steps which a company has to take in order to raise demand for its product and are as follows:

- Product
- Price
- Place
- Promotion or Marketing communication

The importance of every marketing mix is that all the elements are considered and used as one unit and all the tools are interrelated and affect each other. Subsequently it can effectively satisfy customer needs and fulfil the company's marketing goals. (Marketingový mix - jeho rozbor, možnosti využití a problémy, 2005)

According to Kotler, the right usage of the marketing mix depends on which point of view one takes. It is important to see the mix from the buyer's and not the seller's point of view. Then one can talk about the customer oriented marketing mix, where values shift from process (P) to people (C).

- Place becomes Convenience
- Price becomes Cost to the user
- Promotion becomes Communication
- Product becomes Customer needs and wants (Marketing mix)

2 MARKETING COMMUNICATIONS

Marketing communications or ‘promotion’ is today very important for the proper functioning of marketing in companies. It is one of the four essential tools of the marketing mix, which, according to Kotler, consists of everything the firm can do to influence the demand for its product. (Kotler, Armstrong, Saunders and Wong 1999)

2.1 Definition of marketing communications

According to Fill there is no general definition of marketing communications; his opinion is that “*the origin of many definitions rests with a promotional outlook where the purpose was to use communications to persuade people to buy products and services. The focus was on products, one-way communications, and there was a short-term perspective. In addition to awareness and persuasions, new goals such as developing understanding and preference, reminding and reassuring customers were recognized as important aspects of the communications effort. Marketing communications provides added value, through enhanced product and organizational symbolism.*” (Fill 2006, 468)

The author agrees with Fill, that there is no universal definition; however, there are a number of definitions which sum up everything needed for an accurate overall definition.

2.1.1 Type of the product market

The allocation of the communication mix differs between the business to customer and business to business markets. B2C marketers are determined to spend more of the resources on sales promotion and advertisement, whereas B2B marketers devote their attention to personal selling. Generally, personal selling is used most often with expensive, difficult or risky goods and in markets with few but large customers. Even though advertising is used less on the market than personal selling, it still plays an important role. (Kotler and Keller 2007)

- Represents the company and its product or service
- Explains the innovations of the product or service
- It is an effective way of generating opportunities for the sales department
- The printed form justifies the company and its products
- Assures the customer in their buying decisions

A trained sales department can contribute to the benefit of the company in three ways:

- Creation of enthusiasm among customers
- Increased relationship with customers
- Key account management responsibility

(Kotler and Keller 2007)

2.1.2 Communication process

Once can distinguish two different aspects to the marketing communication process, i.e. the macro communication model and the micro communication model. In the past several decades the leading type of marketing communication was mass-marketing with its various tools. It was about selling highly standardized products to masses of customers. Companies developed effective mass-media techniques to attain their marketing strategies. However, as the twenty-first century approached, marketing managers faced new marketing communication realities. The vast improvements in information technology opened up new opportunities in communication. Additionally, the mass market began to change from a macro-oriented to a micro-oriented market. This is why companies have shifted their strategies from mass communication to building up close customer relationships. This is referred to as media and audience fragmentation and organizations have developed fresh combinations of the promotional mix in order to reach their audiences effectively. (Fill 2006)

2.1.3 Tools of marketing communications

“Marketing communication consists of a set of tools that can be used in various combinations and different genres of intensity in order to communicate with a target audience.” (Fill 2006, 489) The promotional mix is made up of six major elements. The advantages and disadvantages of the mix are described in the table below.

Table 1: Comparison of promotional elements

	PERSONAL SELLING	ADVERTISING	SALES PROMOTION	DIRECT MARKETING	PUBLIC RELATIONS	GUERRILLA MARKETING
Advantages	Permits measurement of effectiveness Elicits an immediate response Tailors the message to fit the customer	Reaches a large group of potential consumers for a relatively low price per exposure Allows strict control over the final message Can be adapted to either mass audiences or specific audience segments	Produces an immediate consumer response Attracts attention and creates product awareness Allows easy measurement of results Provides short-term sales increases	Generates an immediate response Covers a wide audience with targeted advertising Allows complete, customized, personal message Produces measurable results	Creates a positive attitude toward a product or company Enhances credibility of a product or company	Is low cost Attracts attention because it is innovative Is less cluttered with competitors trying the same thing
Disadvantages	Relies almost exclusively upon the ability of the salesperson Involves high cost per contact	Does not permit totally accurate measurement of results Usually cannot close sales	Is nonpersonal in nature Is difficult to differentiate from competitors' efforts	Suffers from image problem Involves a high cost per reader Depends on quality and accuracy of mailing lists	May not permit accurate measurement of effect on sales Involves much effort directed toward non-marketing-oriented goals	May not reach as many people If the tactics are too outrageous, they may offend some people

(Clow and Baack 2008)

2.2 Advertising

Advertising forms the senior segment of the promotional mix and is often confused with marketing itself. In fact, advertising is a tool of promotion, one of the four tools of the marketing mix. Kotler defines advertising as “*any paid form of non-personal presentation of ideas, goods, or services by an identified sponsor.*” (Kotler, Armstrong, Saunders and Wong 1999, 799). This definition can be applied to any kind of product or service.

Advertising is the bare means of becoming successful. It raises the awareness of the company, product or service, as well as the interest of potential customers. Furthermore, it introduces the brand to the public, and persuades the customer to buy the product or service.

The following table shows the share of different means of media advertising in the Czech market. The figures in year 2009 are estimated.

Table 2: Share of media advertising in Czech market

Year	2007	2008	2009
TV	10,75	11,49	8,39
Printed advertising	8,68	8,55	5,81
Internet	2,80	3,42	3,79
Outdoor advertising	2,75	2,91	2,47
Radio	2,27	2,27	1,93
Cinema	0,08	0,07	0,04
Total	27,33	28,71	22,43

(OMD: Reklamní výdaje v médiích letos s výjimkou internetu klesnou, 2009)

The following table shows investment in advertising, in percent, in the Czech market. The figures in year 2009 are estimated.

Table 3: Investments in advertising in percent

Year	2007	2008	2009
TV	39,3%	40,0%	37,4%
Printed advertising	31,8%	29,8%	25,9%
Internet	10,2%	11,9%	16,9%
Outdoor advertising	10,1%	10,1%	11,0%
Radio	8,3%	7,9%	8,6%
Cinema	0,3%	0,2%	0,2%

(OMD: Reklamní výdaje v médiích letos s výjimkou internetu klesnou, 2009)

2.2.1 The objectives and types of advertising

The objectives of advertising are closely connected to the objectives of the IMC (integrated marketing communication) strategy in that they determine the form and objectives of advertising. For the proper selection of the right elements it is important to consider the issue of positioning and target market together with marketing mix elements since the factors also determines the objectives. Additionally, the final issue which influences the objectives is the purpose of the advertisement i.e. whether it is to inform, persuade, or to remind. (What is marketing)

Informative advertising

Informative advertisement is used when launching new products or services onto the market, at which time the company needs to inform potential customers and when the company needs to stimulate a demand for particular products.

Persuasive advertising

Persuasive advertisement is often transformed into comparative advertising; its importance increases in line with increased competition. The selectivity of the product is emphasized in order to build selective demand.

Reminder advertising

The function of reminder advertising is simply to remind customers that a particular product or service is still available. The intention is to keep a company in touch with the customer.

(Kotler, Armstrong, Saunders and Wong 1999)

In addition it is worth mentioning at this point the difference between Local and company advertising.

Local advertising

Local advertising provides information on local outlets and features such as opening hours, where to shop, what to shop for and current special offers at a particular outlet.

Company advertising

Company advertising focuses on the promotion of the company's attitudes, activities, characterization and public representation.

(Foret 2008)

Once a company has defined its objectives and has considered the purpose of the advertising, then comes the stage of choosing the right media type.

2.2.2 Media

The media represents the tools of advertising; through the media, the objectives of advertising are realized. For marketers it is very difficult to choose the right mix since the number of different types of media and the instruments available are already high and

continue to increase. Kotler defines six major groups, i.e. broadcasting, print, outdoor, new media, in-store, and other media. The author would suggest a further group i.e. electronic; which in the form of the internet is increasing in terms of impact and has a great deal of potential for the future. (Kotler and Armstrong 2006)

None of the above can be considered the ideal vehicle. The most effective approach involves knowing the advantages and disadvantages of each group in order to combine them and thus establish the right promotional mix.

Table 4: Comparison of the main advertising media alternatives

MEDIA OUTLET	ADVANTAGES	DISADVANTAGES
Broadcast		
Network television	mass coverage, repetition, flexibility, prestige, short one contact costs	high cost per one advertisement, temporary message, public distract, lack of selectivity
Cable television	same strengths as network TV, less market coverage since not every viewer is a cable subscriber	same disadvantages as network TV, although cable TV ads are considerably more targeted to specific viewer segments
Radio	immediacy, low cost, flexibility, targeted audience, mobility, high segmentation	short life span, highly fragmented audience, low attention, poor wide range
Print		
Newspapers	tailored to individual communities, ability to refer back to ads, flexibility, reliability, wide range of public	short life span, clutter, internet competition,
Magazines	high market segmentation, target audience interest, quality image reproduction, long life, prestige	lack of flexibility, high costs
Outdoor	quick, visual communication of simple ideas, link to local goods and services, repetition, low costs on one contact, wide range and frequency	brief exposure, environmental concerns, simple message
Direct mail	selectivity, intense coverage, speed, flexibility, opportunity to convey complete information, personalization	high cost, consumer resistance, dependence on effective mailing list

Interactive		
Internet	use of creativity, immediately online, easy to customer interest of the web pages, measurement of the feedback	clutter, constrains when buying the advertise space and time, only for computer users, short viability, difficult to keep the customer attention

(Boone and Kurtz 2006)

Printed media

The two major types of media included in this class are newspapers and magazines. Their main advantage is that people are in contact with this media almost daily; for some reading is a daily habit. This media features the written word and pictures.

Broadcast media

This media is clearly younger than print media; the main vehicles are television and radio. The main advantage is its accessibility; it can cover a mass audience for relatively low cost per target reached.

Outdoor media

This segment consists of three major types, i.e. street furniture (bus shelters etc.), billboards and transit (underground, buses and taxis). It is considered to be a secondary media vehicle which effectively complements and supports the message provided by primary media sources (print and broadcast).

In-store media

In-store media is used in order to direct the shopper's attention towards making a purchase. The major contributors are point-of-purchase and packaging both of which can easily be controlled by either the retailer or the manufacturer.

Ambient media

This type of media is one of the younger types and represents a non-traditional alternative to outdoor media.

(Fill 1994)

2.2.3 Measuring advertising effectiveness

Measuring the effectiveness of advertising is an essential part of any marketing plan. Managers need to know how successful their investment in advertising is. There are two types of research which can provide the necessary information:

Media research – measures how a particular media delivers the message to the audience. This is carried out by specialized research firms.

Message research – measures customer reaction to an advertised message; two approaches can be employed – pre-testing and post-testing. (Boone and Kurtz 2006)

2.3 Public Relations

“Public Relations are defined as 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics' (Institute of Public Relations).” (Solomon, Marshall and Stuart 2006) PR is based on a high level of credibility, targeting perspective customers and highlighting the company, product or service and is realized in the form of new stories, features, sponsorship and events. A combined campaign including PR and other promotional elements can be very effective and, what is more important, very economical. (Kotler and Armstrong 2006)

The motto of Public Relations is: *“Do something good and then spread it.”* (Solomon, Marshall and Stuart 2006, 407)

The aim of PR can be divided into five points:

- The identification of internal and external stakeholders
- An evaluation of the firm's reputation
- An audit of the company's social responsibility
- The formation of a positive image of the company
- Defending the company's image

(Belch G. and Belch M. 2003)

2.3.1 The identification of internal and external stakeholders

Stakeholders create a network of persons who are oriented towards supporting the focus organization through added-value processes. Stakeholder groups and stakeholders are people in contact with a company. They are not static because new stakeholders can emerge in response to changes in the environment. (Solomon, Marshall and Stuart 2006)

At the point of communication with stakeholders, the consistency of the PR strategy as well as the marketing communication strategy and the company's image are of prime importance. The overall message should be the same in meaning but should differ in terms of the expectations of the different stakeholder groups. Furthermore, the PR department is responsible for monitoring the environment, changes in opinions, and threats from stakeholders. Stakeholders can be divided into two groups; i.e. internal and external. (Kotler and Armstrong 2006)

- **Internal stakeholders**

Internal stakeholders consist of employees of the company, and shareholders. Employees form a prominent communication channel because their arguments are more valuable than the overall company's arguments. Therefore the relationship between a company and its employees is crucial and should be based on intense and proper communication. The aim of PR activity with regard internal stakeholders is to present the marketing communication strategy to such stakeholders and to ensure that the company and its members are able to follow that policy. If a company advertises an idea, then it should be able to deliver that message to its customers. (Belch G. and Belch M. 2003)

- **External stakeholders**

External stakeholders consist of media, organizations and communities, financial communities, government, and groups with specific interests. Given that a company has minimal power to control the external stakeholder's subjective and objective information about a company, importance should be attached to spreading positive information on the company and quickly reacting on the negative publicity or publicly evaluated opinions. Events such as articles in newspapers or an interview with a company employee during a social occasion gives a company an opportunity to build a positive image or to limit the impact of possible negative information in the public arena. Examples of external stakeholders are financial groups, customers, organizations and communities, media and government. (Belch G. and Belch M. 2003)

2.3.2 Evaluation of a firm's reputation

A company's reputation is very valuable but also fragile. A well constructed company brand, name and identity can considerably increase sales under regular conditions as well as save the company in a crisis. Reputation is one of the aspects which a potential

consumer or investor considers before doing business. In addition, it is very ineffective to apply a PR programme if a company is not aware of its reputation in the eyes of its customers and the general public. Consequently companies should employ a person who will be responsible for collecting, researching and monitoring information about the company's reputation and who is competent to select one of the options outlined below. (Kotler, Armstrong, Saunders and Wong 1999)

2.3.3 Audit of a company's social responsibility

This generally expresses the notion that companies, in order to maintain their positive reputation and image, should remain socially responsible. By which we understand the commitment of the organization to behave ethically and to react to society's needs. The company's social responsibility audit usually involves a team of managers in cooperation with the managers of particular departments. The purpose of the audit is to ensure that a company has clearly stated its ethical policies and that it will provide a service for its stakeholders as well as general public. (Boone and Kurtz 2006)

2.3.4 Formation of company's positive image

This can be achieved using two marketing strategies i.e. cause-related marketing and green marketing both of which are intended to attract positive attention to the organization and present it as a solid partner thus; contributing towards social responsibility. (Belch G. and Belch M. 2003)

2.3.5 Defending the company's image using damage control

One of the most important functions of public relations is damage control, i.e. reacting to negative events caused by the company, the dissatisfaction of customers or negative publicity. Negative publicity spread either via the media, or by word-of-mouth and can destroy the company's image very quickly; even when such publicity is based on a misunderstanding. Defending the company's image can happen in two ways, i.e. by using a proactive strategy and a reactive strategy. (Belch G. and Belch M. 2003)

2.4 Publicity

Publicity is often related to public relations, but in the author's opinion it is important to devote greater attention to this element because publicity can have strong positive and also negative effects on a company and its products. As Louis E. Boone mentions "*Publicity is*

the most direct aspect of public relations related to promoting a firm's products. It is the non-personal stimulation of demand for a good, service, place, idea, person, or organization by the unpaid placement of significant news regarding the product in a print or broadcast medium." (Boone and Kurtz 2006, 840)

Although it seems that publicity is free of charge, this is misleading because a company has to finance the costs invested in the creation of the publicity such as the salaries of marketers, printing and mailing costs, and other related expenses, however, it is a method with the highest effect as Mr. Kocina mentions: "*Publicity is the least expensive and most powerful way to promote your product.*" (Your Product in the News, 2010)

2.5 Sponsorship

Sponsorship has recently become closely connected with advertising. As Belch claims: "*Under a sponsorship arrangement, an advertiser assumes responsibility for the production and usually the content of the program as well as the advertising that appears within it.*" (Belch G. and Belch M. 2003, 368)

There are several reasons for a company to sponsor a programme. The major reasons include enhancing the image of a company and its products, and capitalizing on the prestige of a high-quality programme.

The advantage of sponsoring TV programmes is in controlling and influencing the commercials during a show. The sponsor decides the number, placement and content of the commercial. Sponsorship of TV shows is mainly used when a company launches a new product onto the market because they can advertise and introduce their product during a TV show. The audience connects the advertised product with a positive experience.

The disadvantage of sponsorship is that if a company wants control over the commercials, then it has to invest highly. Therefore this strategy is employed by larger and more developed companies.

Not only the sponsoring of TV programmes during prime time can provide benefits; a further commonly used method, i.e. "participation" provides users with greater flexibility than sole sponsorship permits. Participants can broadcast a certain programme once or

several times on a regular or irregular basis and can control the advertising. (Belch G. and Belch M. 2003)

2.6 Personal selling

Personal selling is another tool of marketing communication. It is probably the closest tool to the general public.

2.6.1 Personal selling process

Personal sales represent an intrapersonal way of communication between the sales person and the customer. It is considered as the most effective method of the communication mix due to two-way communication. (Belch G. and Belch M. 2003) The advantage of the sales promotion is the building of a personal relationship between the sales person and the customer. It is beneficial for both sides. The customer acquires all the necessary information about a product or service from the sales person who helps the customer to satisfy his/her needs; and expects to gain value in return. Personal selling is highly recommended in communications with key customers. (Clow and Baack 2008) Although it is such a beneficial tool, it is considered to be one of the most expensive per costs of a meeting. (Belch G. and Belch M. 2003)

2.6.2 Personal selling objectives

According to sales and marketing management there are three major categories to classify sales force.

- 1) Order taking
- 2) Creative selling
- 3) Missionary sales

(Belch G. and Belch M. 2003)

In addition to this major selection, there are five more basic responsibilities to differentiate the abilities of the sales force:

Prospecting

Is the process of locating new customers. For salespeople it is crucial to determine and differentiate new potential customers (leads), and customers who are searching for a product or service (prospects).

Determining customers' needs and wants

The sales person's duty is to gather as much information on the prospect and determine his/her needs. The approach is personal, professional and should persuade the customer to make a purchase decision.

Recommending customer

In this stage the salesperson advises the customer. He/she should recommend a possible solution and provide all the necessary information which the customer lacked.

Demonstrating the capabilities of a company or product

Based on the corporate image shown in advertisements and other promotional tools, the sales person should present the company's product capabilities.

Closing the sale

Is probably the most important and also most difficult step for a salesperson. Not every salesperson is able to take that final, most important step, a deal.

(Kotler, Armstrong, Saunders and Wong 1999)

2.6.3 Advantages and disadvantages of personal selling

In the author's opinion the importance of personal selling is when it comes to negotiation of a bigger deal. Companies whose business systems are based on such conditions take advantage of personal sales. However, in other conditions it has its drawbacks. The next paragraphs describe the advantages and disadvantages of personal selling.

Advantages of personal selling

- Two-way interaction – any problems can be immediately solved
- Tailoring of the message – precise presentation and delivery of a message to the customer
- Lack of distraction
- Involvement in the decision – the salesperson becomes a partner for the customer who relies on him/her
- Source of research information – collection of information on competitors and beating their offers

(Belch G. and Belch M. 2003)

Disadvantages of personal selling

- Inconsistent messages – communication confusion between the marketing department and sales force. The message cannot be fully delivered.
 - Sales force/management conflict – is likely to happen when a failure occurs. It is usually a problem of communication
 - High cost – the most expensive tool per number of targeted persons
 - Poor reach – cannot reach mass audiences as advertising or other forms of communication can
 - Potential ethical problems
- (Belch G. and Belch M. 2003)

2.7 Sales promotion

The purpose of sales promotion is to attract new customers. Three types of categories are identified, i.e. consumers of the product category, loyal users of another brand, and users who frequently switch brands. The very last group – brand switchers – is the group on which sales promotions target because brand switchers look mostly for low prices or good value products. They do not require brand loyalty; indeed this is not the function of sales promotions. Sales promotions inform the customer about a discount or a value added to a product and mostly serve as a tool with short-run effectiveness. *“Sales promotion consists of short-term incentives to encourage the purchase or sales of a product or service.”* (Kotler, Armstrong, Saunders and Wong 1999, 818)

Given this definition, it is common to use sales promotion when a company requires an immediate increase in sales. Therefore the author considers this tool as the most effective in the short run. It uses incentives in order to bring forward products. It targets mainly four groups - retailers and wholesalers, business customers, members of the sales force and final customers. (Dibb and Simkin 2001)

2.7.1 Sales promotion tools

First of all, it is important to define three groups and mention on which category they target.

Table 5: Targets of the three groups

Sales force	Consumer	Trade or Retailer
coupons, vouchers, commissions, competitions, free gifts, bonus scheme	demonstrations, events, reduced-price pack, money-back guarantees, coupon, voucher with cash value, Premiums- free with pack free on-pack, free mail-in	credit, free services, training, free samples, trade-in offers, sale on return, loyalty bonuses, range bonuses, collector series

(What is marketing)

Both consumer and trade related groups are very easily controllable either by manufacturers or wholesalers and retailers. As for the sales force the author finds sales contests particularly interesting. *“The sales contest is a contest for salespeople or dealers to urge their sales force to increase their efforts over a given period”* and is also called an 'incentive programme' because the aim of the contest is to motivate the performers or employees to achieve better results. The motivational tools consist of trips, cash prizes or other gifts. The sales contest reaches its effectiveness when all the employees see an equal chance to win. Otherwise they will not have a challenge and the whole contest loses its value. (Boone and Kurtz 2006)

Table 6: Permitted and forbidden sales promotion tools in European countries

	UK	IRL	SPA	GER	F	DEN	BEL	NL	POL	ITA	GRE	LUX	AUS	FIN	NOR	SWE	SWI	RUS	HUN	Cz
On-pack price cut	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Branded offers	Y	Y	Y	?	Y	?	N	Y	Y	Y	Y	N	?	?	?	?	N	Y	Y	Y
In-pack premiums	Y	Y	Y	?	?	?	Y	?	Y	Y	Y	N	?	Y	N	?	N	Y	Y	Y
Multi-buy offers	Y	Y	Y	?	Y	?	?	Y	Y	Y	Y	N	?	?	Y	?	N	?	Y	Y
Extra product	Y	Y	Y	?	Y	Y	?	?	Y	Y	Y	Y	?	Y	?	?	?	Y	Y	Y
Free product	Y	Y	Y	Y	Y	Y	?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Re-use pack	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	?	Y	Y	Y	Y	Y	Y	Y
Free mail-ins	Y	Y	Y	N	Y	?	Y	Y	Y	Y	Y	?	N	Y	Y	N	N	Y	Y	Y
With-purchase	Y	Y	Y	?	Y	?	?	?	Y	Y	Y	N	?	Y	?	?	N	Y	Y	Y
X-product offers	Y	Y	Y	?	Y	?	N	?	Y	Y	Y	N	?	?	N	?	N	Y	Y	Y
Collector devices	Y	Y	Y	?	?	?	?	?	Y	Y	Y	N	N	?	N	N	N	Y	Y	Y
Competitions	Y	Y	Y	?	?	?	Y	?	Y	Y	Y	?	?	Y	?	Y	Y	Y	Y	Y
Self-liquidators	Y	Y	Y	Y	Y	Y	Y	?	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y
Free draws	Y	Y	Y	N	Y	N	N	N	Y	Y	Y	N	N	Y	N	N	N	Y	?	Y
Share-outs	Y	Y	Y	N	?	N	N	N	Y	?	Y	N	N	?	?	N	N	Y	Y	Y
Sweep/lottery	?	?	?	?	?	N	?	?	?	?	?	N	?	Y	N	N	N	Y	?	?
Cash-off vouchers	Y	Y	Y	N	Y	?	Y	Y	Y	?	Y	?	?	?	N	?	N	Y	Y	Y
Cash off purchase	Y	Y	Y	N	Y	N	Y	Y	Y	?	Y	N	N	?	N	N	N	Y	Y	Y
Cash back	Y	Y	Y	?	Y	Y	Y	Y	Y	N	Y	N	?	?	?	Y	N	Y	Y	Y
In-store demos	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	?	Y

(Kotler, Armstrong, Saunders and Wong 1999)

Y- permitted

N – forbidden

? –under certain conditions

Sales force and consumer related tools are similar in some senses, but business promotional tools differ. The aim of business tools is to “*generate business leads, stimulate purchases, reward customers and motivate salespeople*”. This group includes almost the same tools as those which are consumer and trade related but also include a form of promotion which the previous groups do not contain. The following lines describe the characteristics of trade shows. This type is, however, mostly used by companies selling to the industry. (Belch G. and Belch M. 2003)

2.7.2 Sales promotion objectives

The particular objectives of Sales promotion differ with the used instruments and target group. Although the discounts from the product or price shall attract the customer to buy the product immediately, the programme of bonuses should attract the customer to particular products and create in the customer the notion of the brand loyalty. (Podpora prodeje v maloobchodě, 2009)

As was mentioned above there are three groups consumer promotions, trade promotions and sales force and below are listed the objectives.

Sellers may use consumer promotions to:

- 1) increase short-term sales
- 2) help build long-term market share
- 3) entice consumers to try a new product
- 4) lure consumers away from competitors' products
- 5) encourage consumers to load up on a mature product
- 6) hold and reward loyal customers.

(Kotler, Armstrong, Saunders and Wong 1999)

Objectives for trade promotions include:

- motivating retailers to carry new items and more inventory
- inducing them to advertise the product and give it more shelf space
- persuading them to buy ahead.

(Kotler, Armstrong, Saunders and Wong 1999)

For the sales force, objectives may be to:

- promote more sales force support for current or new products
- stimulate salespeople to sign up new accounts.

(Kotler, Armstrong, Saunders and Wong 1999)

2.8 Direct marketing

Direct marketing is the fastest developing form of marketing communication. Belch defines it as: *“a system of marketing by which organizations communicate directly with target customers to generate a response or transaction. This response may take the form of an inquiry, a purchase, or even a vote.”* (Belch G. and Belch M. 2003, 463)

According to the view of Mr. Sutherland the current era moves to the era of experience then the quality of a product. With the claim goes hand in hand a fact that 80% of us seek the recommendation of common people then the opinion of professional. (Direct marketing v digitálním věku, 2009)

2.8.1 The Benefits of Direct Marketing

The benefits of direct marketing are on both the customer and marketer sides. The customer receives free information about a company or product without any waste of his energy. Considering that home shopping is convenient and hassle-free, it saves customers time and introduces him/her to a larger selection of merchandise. With a little effort they can browse through mail catalogues and online shopping services and order directly what they want. It can save the customer time spent with salespeople because the information is directly delivered to his home or can be easily found. On the other hand marketers also benefit. They can segment the targeted audience, create small groups or even individual customers in order to deliver the message the customers want to hear. (Kotler, Armstrong, Saunders and Wong 1999)

This kind of customer oriented communication contains many forms of reaching its goals. The major forms of direct marketing include face-to-face selling, direct mail marketing, catalogue marketing, telemarketing and direct-response television (DRTV) marketing and online shopping. (Kotler, Armstrong, Saunders and Wong 1999)

II. ANALYSIS

3 ANALYSIS OF COMMUNICATION MIX OF LANGUAGE SCHOOL ABECEDA S.R.O.

3.1 Characterization of the company

ABECEDA s.r.o. has been a provider of language education services since 2004. It is a purely Czech company with two owners one of whom is the executive director. Two employees work for the company full-time and a further 20 work as external employees, usually working on self-employed trade licenses.

ABECEDA s.r.o. holds accreditation accorded by the Czech Ministry of Education and is an official provider of language education. The activities offered by the company can be divided into three major fields: language courses, translation, and interpreting.

Language courses

The company offers education in eight world languages the most popular of which consist of English, German and Russian. The educational system employed consists of eight language levels with each level consisting of 20 lessons. The different levels follow each other up, thus providing study continuity.

Translation and Interpreting

The company provides both translation and interpreting services in all the major international languages and in any professional field of activity. Additionally the company provides correction services by native speakers and simultaneous and legal interpretation services.

Portfolio

TOP one-week intensive language courses

One-week language courses

Intensive weekend courses

Intensive afternoon courses

Individual language courses

Corporate language courses

Preparation courses for international examinations

Intensive holiday conversation courses

English for children aged 3-15

Accredited language courses for school teachers

Marketing department

Until 2008 the company had a marketing department which was run by an internal employee. The person was responsible for the company's promotional strategy and promotional campaigns. At that time, ABECEDA did not use an external promotional agency for the professional marketing of the company. Even though the language school had a marketing department, there was no proper marketing strategy or communications mix.

Decisions were made mostly on a spontaneous and intuitive basis; the company was not successful. Since the new director took up his position, the core focus of the marketing department has completely changed. The director himself assumed responsibility for marketing in the company.

Developing the marketing strategy

The process of developing a marketing strategy is based on corporate objectives and the corporate budget. On the basis of these two elements, the director designs the marketing strategy. Consequently, he consults on strategy with the methodologist and presents it to the board. Once the strategy has been agreed, the company approaches an external advertising agency in order to realize the objectives of the strategy.

In 2009 the company developed its marketing strategy and although they used several marketing communication tools, an integrated communications mix was not developed. Marketing strategy decisions were made according to the company's overall strategy, promotional budget and market potential.

Objectives of the corporate strategy:

- To raise awareness of the language school in Silesia region
- To establish a subsidiary in Ostrava and to run language courses there

Objectives of the marketing strategy:

- To promote its intensive courses in the Opava region
- To arrange a nation-wide promotion of its one-week intensive language courses

- To raise general awareness of the company in Opava and Ostrava
- To retain current customers and attract potential customers

Setting up the budget in 2009

According to the information obtained, calculations were not made with respect to any budget-creating method. The author would have suggested that the budget be created on the basis of the combination of two methods. The major criteria which influenced the formation of the marketing budget for the year 2009 were:

- the goals of marketing strategy
- the economic situation of the company
- the amount of investment in marketing in the previous year

The budget was proposed by the director of the company. He determined a one-year budget which was divided into 12 budget elements representing the 12 months of the year. The decision-taking process assumed the importance of advertisement in particular periods of time. ABECEDA determined the most crucial months in which it thought promotional activities should be enhanced. Those months were September, October, January and February since they fall before the start of the two teaching semesters. Eventually, a major part of the promotional budget was spent on advertisement because the company considered it crucial to raise the awareness of the company.

4 COMMUNICATIONS MIX IN 2009

The following describes the communications mix for 2009, which focuses mostly on advertising, public relations, personal selling, and sales promotion. In addition the spheres of customers and direct marketing are described.

4.1 Advertising

Advertisement formed the major part of the communications mix based upon the amount of financial resources invested and the number of advertising tools used in comparison with the other tools in the communications mix. The main focuses of the company were on the internet and outdoor advertising.

4.1.1 Internet advertising

Internet communication formed the most powerful advertising of the communications mix applied by ABECEDA. There were several activities used to support the company.

Presentations for web page search engines

The intention here was to figure in the top positions of particular web search engines. Therefore, ABECEDA established cooperation with the web providers Seznam and Centrum. The company subscribed to the section Firms and Sklik (Pay for Click) provided by both providers.

Key words at Firmy.cz

- language school in Opava
- language school in Ostrava
- language school in Prague

This type of advertising was aimed at directing potential customers to the web pages of ABECEDA and at raising awareness of the company.

Key words for Sklik:

- English
- German
- intensive language courses

Abeceda invested the major part of the promotional budget in those activities. The subscription to Seznam and Centrum continues to date.

Own web pages

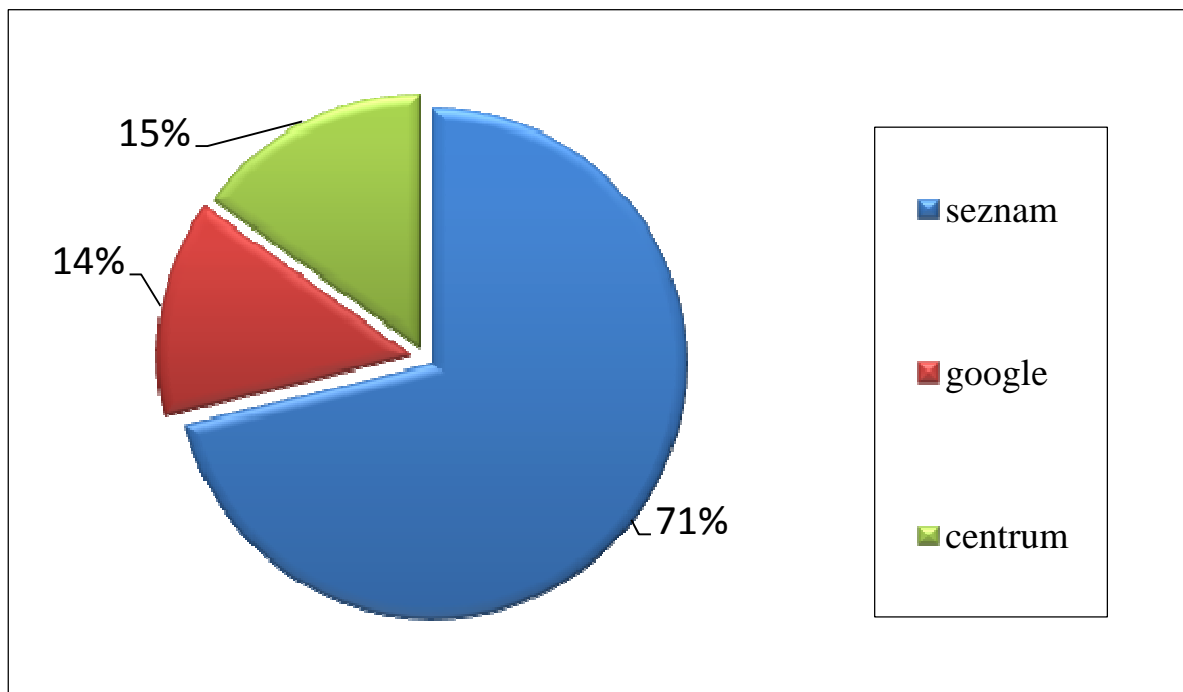
The company reorganized their pages to make them more user-friendly and better organized. They also added new forms of communication with the customer: online tests and online course application.

Banners

A minor part of the internet advertising consisted of banners on particular web pages. They were placed on those dealing with language education and education itself as well as sites advertising restaurants in Opava. See www.menicko.cz and www.educity.cz.

Internet advertising formed a powerful tool within the overall advertising mix. Altogether 220 238 CZK was invested in internet advertising. The following graph indicates a significant preference for the web page Seznam over the other web page engines.

Figure 1: The structure of investment in CZK in internet advertising in 2009



(Internal source at the company)

4.1.2 Printed advertising

Printed advertising consisted of advertising in local and national newspapers.

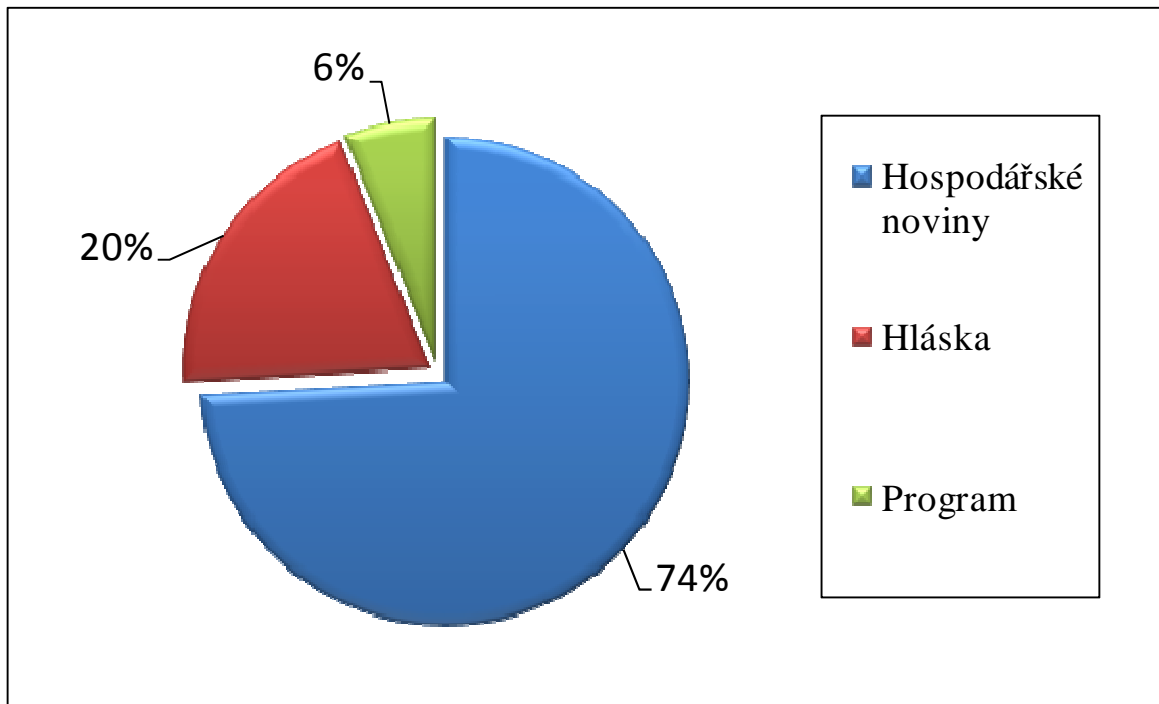
Newspapers and Magazines

According to a number of articles, print advertising is a minor element of promotional activities. However, the Abeceda language school is a small company and concentrated its printed advertising on local newspapers and magazines; it also published two articles nationwide.

Newspaper advertising consisted of:

- Two articles in the national newspaper *Hospodářské noviny* before the start of new semesters
- Articles in the local newspaper *Hláška* in the Opava region before the start of new semesters
- A listing in the magazine *Program* which provides a list of activities etc. for the month in the Opava and Ostrava areas

67 449 CZK was invested in printed advertising. The graph below shows the prominence of spending with the nationwide *Hospodářské noviny* over that with local newspapers.

Figure 2: The structure of investment in CZK in printed advertising in 2009

(Internal source at the company)

4.1.3 Radio and Television

As such elements are used in order to reach a mass audience and are very expensive, they were not considered to be appropriate tools for achieving the company's strategy.

4.1.4 Outdoor advertising

Outdoor advertising was an important part of the company's advertising strategy. The purpose of outdoor advertising was :

- to raise the awareness of the company in Opava
- to become the number one language school in Opava
- to enhance the advertising of particular products at the best time (before the start of each semester)

The company worked alongside an external graphics company which, on the basis of information provided by Abeceda, created customized outdoor tools.

Outdoor advertisement consisted of:

- Posters
- Flyers

- Advertising boards
- Advertising canvases
- Billboards

Posters

Abeceda had four types of posters prepared with the intention of distributing them in the Opava and Ostrava areas.

Version no. 1

Posters were created to promote the language school. 40 posters were placed alongside the main roads in Opava.

Version no. 2

Posters were created with the intention of attracting potential customers for language courses starting in September. They were posted on rented advertising place around the city of Opava

Version no. 3

Posters were aimed at promoting the company and especially at attracting potential customers to language courses in the city of Ostrava.

Version no. 4

Posters were placed in municipal transport vehicles in Opava. The content of the posters was the same as the above mentioned: to raise awareness and attract potential customers to language courses in Opava.

Other forms of outdoor advertising

- **Advertising boards**

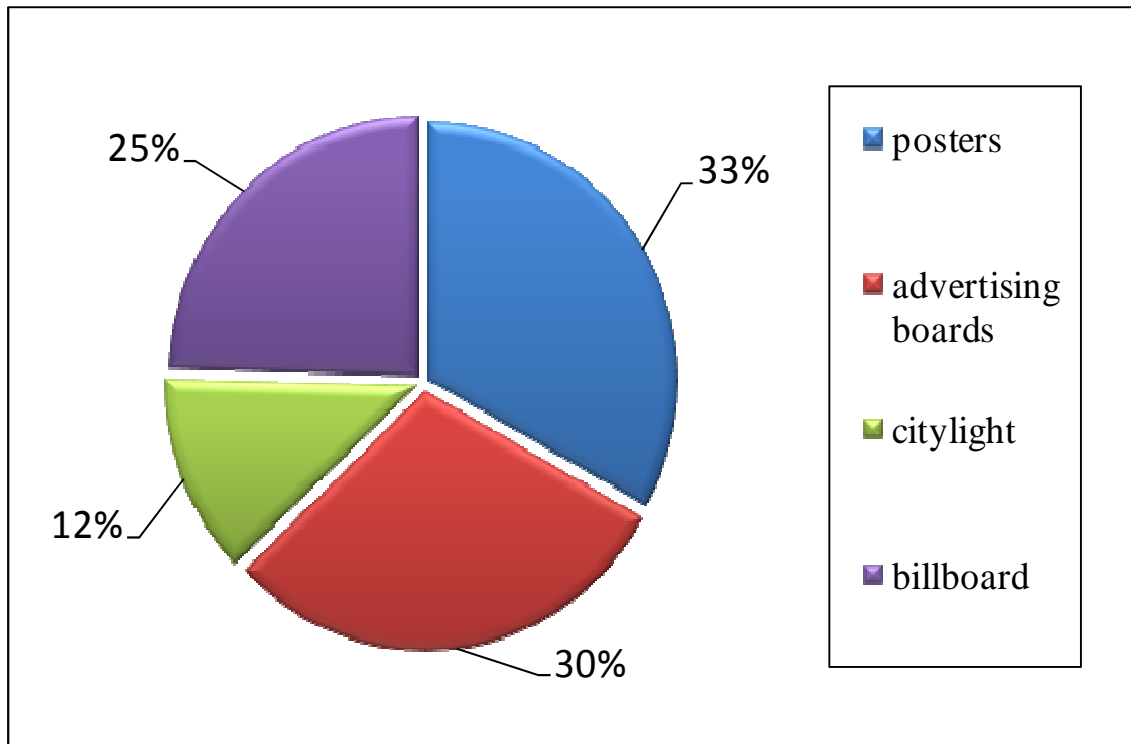
Abeceda had boards created which were hung in frequented places in Opava and Ostrava.

- **Billboards**

One billboard was placed on the main road leading from Opava to Ostrava.

- **Citylight**

123 425 CZK was invested in the outdoor advertising campaign. As the graph indicates, the different forms of advertising were divided into similar segments. It is important to mention that the section Posters contains all the four versions mentioned above.

Figure 3: The structure of investment in CZK in outdoor advertising in 2009

(Internal source of company)

4.2 Public Relations

As far as public relations is concerned, Abeceda did not feel it necessary to design an overall concept. According to the director, for small companies it is of no advantage to invest a high amount of financial resources in external stakeholders. The company should rather focus on internal stakeholders. Abeceda decided against media communication and instead created social and training programmes for their employees and main business partners and sponsored sporting activities in the Moravia region. The intention of the company was to develop social contact between its employees in order to unite them and improve teamwork.

PR activities

- Sponsorship
 - of the Opava beach volleyball league
 - of the Czech beach volleyball championship
 - of the Abeceda ski cup
- Regular company activities
 - Abeceda party
 - Outdoor training workshop
 - Winter workshop

In addition, the company provides its customers with the opportunity to evaluate the company thus enhancing the quality of the services offered by Abeceda. Customers can anonymously add their remarks or complaints through the feedback list provided at the end of each course.

4.3 Sales promotion

As was mentioned in the theoretical part of the thesis, sales promotion tends to have only a short-term effect on sales. Abeceda was aware of this and took it into account when building the promotional campaign. The majority of customer-oriented promotion is formed by flyers and sales incentives. The rest formed Direct mail and the other means.

Flyers

The purpose of the flyers was to attract the potential customers to the intensive language courses and to raise the awareness of the company in Opava and Ostrava. Therefore the two forms of flyers were created.

Two forms of flyers

- The first one was aimed at people with potentially higher incomes; flyers were distributed in residential districts in Opava.
- The second was aimed at all potential customers and took the form of general advertising of the company; flyers were distributed in the city centres of Opava and Ostrava.

This type of advertising was introduced so as to enhance promotion during the crucial time before the start of new semesters. Campaigns were targeted at better off potential clients using the postal service and other potential customers in the form of personal distribution and on-the-spot presentations.

Incentives

Examples are: discounts for regular customers, a discount when ordering two courses at the same time one course free when paying for 4 one-week courses availability of payment through SODEXO luncheon vouchers. Such incentives represent stable sales promotion activities. They were not implemented in order to support advertising at crucial periods as were the flyers.

Direct mail

Direct mail attracts new customers inform existing customers of new products in advance promote the company and its main products

Abeceda used direct mail for the same purpose as flyers, to support advertising in certain important periods. Mail was sent to both current and potential customers. The author does not agree with mailing potential customers because it can be considered to be spam, which is illegal and can lead to legal proceedings.

Others

ABECEDA gave presents for regular customers in the end of the semester as a gesture of thanks. Another one is a product list, which was produced and exhibited in the headquarters of the company

At the end of each semester Abeceda acknowledged its custom from major firms by the presentation of gifts. As for attracting potential customers, Abeceda arranged for the delivery of a product list with all the necessary information about the company and their products and services.

Sales promotion did not form a powerful base on which the company could raise sales. Abeceda invested a marginal amount in comparison to the amount invested in advertising. The amount invested in sales promotion was 16 330 CZK which represents investment in flyers as well as incentives.

4.4 Direct marketing

As mentioned previously, the direct mailing technique was used. In addition, the company introduced online registration and language level ranking which serves to help customers gauge their starting language level. With online registration customers effortlessly reserve a place on a particular course without having to do anything else. Other forms of direct marketing described in the theoretical part of the thesis were not considered useful for the company.

4.5 Personal sales

The director of Abeceda commented during the research: “*Personal sales is one of the most effective and most expensive tools of communication.*” This business-creating tool is managed at Abeceda by two specially trained sales people, one for the Moravia region and the second for the Prague region.

Their responsibilities include:

- active communication with the customer
- searching for potential customers (companies) as well as external teachers
- reaction to advertising
- concentration on intensive and corporate courses
- corporate presentations

The salespeople’s skills are used especially for negotiation with bigger potential clients, usually companies with foreign participation; but also for actively searching for new potential clients.

4.6 Customers

Abeceda does not have any specific group of customers in any form of customer segmentation. Their policies are directed towards the language education of companies because they represent both a bigger business deal and higher numbers of students. Simultaneously, Abeceda arranges courses for children and young people as well as regular, individuals interested in language education. The range of customers is wide and to date the company has not implemented any customer segmentation procedure.

4.7 Competition

As Abeceda offers various types of courses with varying regional participation, major competitors should be specified with respect to location.

Competitors in the Moravia region

- FAKTURM OPAVA
- Hello, s.r.o.
- Cloverleaf

Nationwide competition

- Caledonian
- Student Agency

4.8 Total investments into the communications mix

In the following section presents three graphs which set out the amount of money invested in the promotional campaign as well as an evaluation of preferred advertising tools.

Table 7: The structure of communications mix in 2009

Communications mix	Amount of investments
Personal selling	518 304
Advertising	427 442
Public Relation	95 340
Sales promotion	16 330
Total	1 057 416

(Internal source of company)

Table 8: The investments in the tools of marketing communications

Tools of marketing communications	The amount of investments
Seznam	156 706
Hospodářské noviny	50 000
Posters	40 887
Centrum	33 201
Boards	36 749
Billboard	30 330
Google	30 331
Citylight	15 459
Hláska	13 459
Incentives	8 880
Total investments in Czk	416 002

(Internal source of company)

Measuring effectiveness

The following graph illustrates an evaluation of the advertising tools used by Abeceda. The figures are based on internal information from the language school. The graph describes the types of advertising and the percentage of customers who bought a product or service on the basis of that particular advertising tool.

Table 9: Rate of marketing communications tools

Tools of marketing communications	Rate in %
Word of mouth	22
Seznam	21,5
Posters	14,5
Billboard	8,5
Program	7
Hláška	5
Google	5
Flyers	5
Boards	4
Hospodářské noviny	3
Centrum	2
City light	2

(Internal source of company)

None of the types of advertising reached 25%; however, the type of advertising which attracted the most customers is an indirect form – word of mouth – which is an almost free form of advertising. This result suggests two options. The first is that ABECEDA profits from positive publicity which is beneficial for the company. The second is that the promotional campaign was poor and people did not notice the promotional activities; clearly improvements should be made. Whether the first or the second is most accurate is a question for proper evaluation.

5 SUMMARY OF THE ANALYSIS

The aim of the analysis was to find out whether the company's objectives and priorities correspond to the theoretical findings. To briefly sum it up, the year 2009 was a breakthrough for the company because it happened to be the first year when the leadership emphasised the importance of a proper marketing strategy as a part of the overall corporate strategy. Abeceda established a marketing department with a skilled person responsible for stating the objectives and selection of the proper tools to realize them. The range of the tools was quite wide considering that it was the first controlled promotional campaign arranged by Abeceda. It must be admired that the company tried to use almost all the elements of the communicational mix, i.e. advertising, sales promotion, personal selling, sales promotion and public relations concerning sponsorship.

5.1 Evaluation of the communicational activities

Position within the marketing mix

Promotion is an important element of marketing and very important for anyone producing a product or service. Product, price and place form the marketing mix which is the basis of marketing. To gain the highest efficiency from the four elements, it is advised to integrate the tools and to develop one organized unit; but each of the elements must stand on its own. The following evaluation of communications activities designates the importance of promotion within the marketing mix.

As it comes towards the end of the analysis, it is always difficult to produce a good-quality evaluation. In some cases it is not even possible to exactly evaluate the particular activity and Abeceda covered a wide range of promotional activities. Possible evaluation methods differ and it is up to the marketer which one he/she chooses. This particular evaluation is based on the method of the questionnaire realized by the marketing department of Abeceda as well as the findings of the theoretical part.

5.2 Positive statement

However, the structure of the promotional campaign was based mostly on advertising; the company did not forget to take care of its stakeholders. Nevertheless, the language school introduced three major types of advertising, i.e. internet, printed and outdoor. The internet

promotion had its pros and cons. Accepting that it covered almost half of the promotional budget, the return on investment should have been high. In the case of Seznam advertising it showed a return because more than 20% of current clients bought a product from Abeceda on the basis of that advertisement. As was mentioned in the analysis, the web searcher provided two forms of advertising including top position in the section Firms and Sklik (pay for click). From the author's personal experience, the most effective key word in the Firms section was "Language school Opava" and in the section Sklik it was "Intensive language course".

A further type of advertising which positively influenced the structure of customers was outdoor advertising. Abeceda based the promotional campaign in Opava on posters which were distributed all over the town for two months before the start of the new semester. Simultaneously, the outdoor campaign was supported by placing a billboard on the most frequented main road leading from Opava to Ostrava, and by placing two advertising boards, which had a similar function to the billboard, on the highly-frequented main streets. The investment in outdoor advertising was quite high and it can be considered to be the form of advertising with the highest efficiency and return on investment.

Continuing with printed advertising, where participation was divided into two groups according to the geographical focuses, i.e. national and local, cooperation with local newspapers and the magazine promoting the cultural programme for the following month formed the cheaper option and eventually attracted a certain number of customers. In contrast, nationally-focused promotion tends to be used differently.

Flyers proved to be an excellent tool in supporting local trade as well as in raising the awareness of the company. Even though it was not the most effective method, the costs were marginal, and therefore the promotional contribution high.

In terms of public relations it is worth mentioning the words of the director which suggested that a small company should focus on its employees, their training and satisfaction as well as the right means of communication with stable customers, then on overall image and publicity. As has been said, that was done. Training courses for employees where they improve team work and communication with customers. In addition, once a year the Abeceda party takes place to which important clients and the staff are invited.

5.3 Negative statement

As the promotional campaign consisted of many communications mix tools, a potential problem which might arise is the transmission of an inconsistent message. In the case of Abeceda this happened on the scale of major segments of the mix because certain types of advertising promoted a different message to the others.

In addition to this inconsistency, which is difficult to measure, it is relevant to mention the drawbacks of internet advertising. There was one element which did not fulfil expectations, i.e. advertising via the web searchers Google and Centrum. The promotional contribution was very low; therefore it is better to invest either more into these searchers or save the investment. If the investment into these search engines had been the same as in Seznam, it would probably have attracted more clients, but in the foregoing conditions it was of little value.

The same applies to printed advertising, where investment in national advertising in the newspaper *Hospodářské noviny* did not pay off because it did not attract any new clients. The aim of this advertisement was to promote one week intensive courses, but according to the graphs shown above, the investment was one of the highest and the return was one of the lowest. Printed advertising is gradually being overtaken by advertising on the internet and this may well be the reason for the poor performance.

Concerning sales promotion, Abeceda would do well to improve and widen its portfolio. Sales promotion only covered flyers, direct mail and incentives; a small part of the company's activities in this area. In addition, the factor of the inconsistent message appeared in sales promotions because all the three activities supported a different product and presented different ideas, and therefore did not create one overall message for the customer.

5.4 Recommendations

This chapter presents recommendations how to improve the contemporary communications mix.

Internet advertising

Web pages

The internet is one of the most modern advertising media and should form an essential element of the communications mix. Through the internet a customer can search for information about a company, product, or service, as well as find contact details, and even order a product directly. Additionally, the medium saves the customer's time and puts the business ahead of the rest.

Therefore the web site of the company should be consistent, organized, user-friendly, and offer the opportunity to shop or to at least register online. In the case of Abeceda, it brings the author to suggest that its web site improvement. The first impression of the current web page is one of disorganization, with too much information, and without the opportunity to log on as a regular, stable customer and shop online. As the web page represents and creates the image of a company, the author suggests reducing the amount of information, to organize the web page in order to create greater customer satisfaction, and to upgrade the registration system with the opportunity for online shopping.

Presentations for web page search engines

Accepting improved web pages, the question of promoting the web page and the company arises. The author definitely agrees with the investment in the advertisement on the web searcher Seznam, despite its being the most expensive it attracted many new customers to the company. The position in the section Firms should be kept at the same level, however a change should be made in the selection of key-words stated in the section Sklik. According to personal experience, only one key-word out of the three figure on the first page of the search list. In this case, improvements could be made in the form of refreshing the key-words, updating them and possibly investing more money in order to appear in the top positions. Furthermore cooperation with Google and Centrum seems to have no effect,

therefore it can be assumed that they should be abandoned and the money saved be invested in a different means of promotion, for example radio promotion.

Radio and TV

These tools represent mass media communication, where the advantage lies in the size of the targeted audience. There is no other form of advertising which can address more potential customers than Radio and TV. On the other hand, it is one of the most expensive tools of the communications mix. Radio advertising is common for expanding into a new market when a company already has a little presence there. This is exactly the case of Abeceda, which successfully fulfilled one of its objectives, to establish a subsidiary in Ostrava. If the company wants to maintain or improve its position in Ostrava, it should promote its services. Since Ostrava is a much bigger city than Opava, it requires a different approach to promotion. In this case it would be wise to invest in promotion via mass communication, such as radio. Abeceda already has a contact, supervising the main radio stations in the Czech Republic, which could be used to negotiate radio advertising. In order to arrange a successful campaign it is necessary to support radio advertising with another promotional element, such as outdoor advertising.

Outdoor advertising

Outdoor advertising was successful in reaching customers in Opava, and partially in Ostrava. This success can be seen in the consistency of the advertising. There were three different tools employed which together informed potential customers about the language school and its products. As it proved its effectiveness, the core idea should remain the same. However, today, Abeceda stands in a different position in the market of Opava and its objectives have changed, so some of the activities could be omitted and the saved money invested in a different form of advertising in a different location. In the case of Opava, the author suggests maintaining advertising using posters along the main roads, advertising boards, canvases and posters in the municipal transport as well as in bus stations. Additionally, billboards should not be used in Opava, but, to support expansion in a new market, should be placed in Ostrava with the preferred location being the main street leading to Opava. Furthermore, the posters in municipal transport vehicles and bus stations could be adopted in Ostrava too as well as the posters along the main street in the location of the company and along the street leading to Opava. Once more it is important to stress

the importance of the integrity and content of the delivered message within individual advertising elements as well as the whole communications mix.

Sales promotion

The current situation with sales promotion is critical in Abeceda. In the last year there were almost no sales promotions except flyers, discounts and some incentives. This is a field in which Abeceda should work hard. There is no cohesion between the sales promotion activities and the internet advertising. For example the discount and special offers advertised by any mean of advertisement, should be present at the web pages. In the case of attracting customers, Abeceda already offers discounts for stable customers or for large contracts. Those discounts should be mailed to current customers regularly. It is a cheap form of advertising and could potentially bring customers back to the company again. Simultaneously, discounts should be visible on the web pages in order to attract potential customers. In addition to discounts, the giving of gifts should be exploited further. As Abeceda has a wide range of bilingual books, they could be added as a present when buying a course before a certain date.

In the last year or two sales promotion consisted of flyers distributed by two temporary workers in the centres of Opava and Ostrava. Unfortunately, the company did not undertake an evaluation, so effectiveness is hard to determine; however, the costs of the flyers and their distribution is marginal, so flyers should be used to complement the promotional campaigns in Opava and Ostrava.

Personal sales

Personal sales represent the most effective form of selling and promoting at Abeceda. As the language school negotiates and provides educational services for companies and their employees, it is important for Abeceda to employ trained professionals in that field. As was mentioned, there are two sales people working in the company, one for the region of Prague and the second for the Moravia region. Both of them are skilled in the profession of creating business. In the current conditions the company is satisfied with their work. In the future the author would recommend training the sales people and the whole staff to improve their communications skills as well as to motivate sales people in the form of financial incentives or certain types of advantages. To evaluate the work of the staff, the

director or person responsible could pretend to be a customer and demand a certain type of information in order to check the level of communication.

Public Relations

According to the table “The rate of the tools of communications mix”, the first place goes to publicity. It is a form of indirect marketing, where the advertisement, or a certain message connected with a company or product, is spread from person to person and creates conscious and unconscious forms of advertising. Here it is important to mention that the message could be either positive or negative. In the case of Abeceda it is fortunately positive and according to the ranking also very influential and beneficial for the company. Positive publicity is based on the quality of service as well as the friendly attitude of the employees provided by the school. In any case the company should develop a secure strategy in case the situation changes. The strategy should be quickly applied and clarify any negative speculation. It could be realized in the form of articles in local newspapers, a statement on the web pages, or by direct mail to customers.

In addition to publicity, Abeceda has developed a programme for its customers and employees in order to maintain the customer base and relieve the stress of employees; once a year an event is organized where the largest current customers meet the employees of the company. This is definitely beneficial for the company because customers perceive it as a gesture of thanks. Furthermore, training courses and workshops are provided for employees before the start of each semester to improve personal skills and clarify the objectives of the company.

Feedback

ABECEDA gets a regular feedback in the end of each semester. It is realized through a questionnaire concerning questions about the satisfaction of the provided services and also gives customers the opportunity to advice or produce a statement concerning the company. As the director of the company mentions, ABECEDA does not take the advantage of the evaluation, it is a field of improvement. In the case of the evaluation of promotional elements such as advertising, the author would recommend to hire an external and professional agency to ensure a proper evaluative technique.

CONCLUSION

The aim of the bachelor thesis was to analyse the communications mix and to use the findings for the improvement of elements of marketing communications in ABECEDA s.r.o. Communication, in marketing terminology, is a set of processes important for influencing the customers' behaviour on the market and maintaining the sales of a product.

The author has compiled a bibliography of several relevant titles and internet websites, which significantly contributed to the formation of the theoretical part of the bachelor thesis. The theory handles the major elements of the communications mix, its objectives, tools, and required information for the elaboration of the practical part of the bachelor thesis.

The practical part begins with the introduction of the company, its sphere of action, and major competitors; and consequently uses the findings from an interview with the director of the company, the internal information of the company, and the knowledge described in the theoretical part in order to apply them on the analysis of the communications mix in the language school ABECEDA s.r.o. The analysis describes the situation of the marketing communication in the year 2009 and answers the two hypotheses stated in the introduction.

The hypothesis number one - The language school ABECEDA does not evaluate the communication activities – is, on the basis of the interview with the director of the company, disproved. Although ABECEDA partially does evaluate its activities, the evaluation cannot be considered as objective because it is a complex evaluation of the provided services, not the evaluation of the promotional activities.

In the case of the hypothesis number two - the communications mix is based on advertising - the claim can be disproved. The other elements of marketing communication such as public relation or sales promotion influence the company. Sales promotion is the most important one of the promotional elements as it makes most business deals among the other elements; and public relation care about the good name of the company, which according to the table "Rate of the tools of communications mix" forms an effective advertisement.

In the end, a summary of the thesis is given, followed by a recommendation for the possible improvements of the current communications mix. The author proposed several

suggestions to emphasize the importance of the marketing communication and marketing in the company. Whether it influences the sales is a matter of the marketing department and the management of the language school ABECEDA s.r.o.

BIBLIOGRAPHY

Books:

- Belch, G., Belch, M.: Advertising and Promotion: An Integrated Marketing Communications Perspective. 6th edition. New York, McGraw-Hill 2003.
- Boone, E. Kurtz, L. Principles of Marketing. 12th edition, China: Thomson Southwestern, 2006
- Cannon, J. Perrault, W. McCarthy, E. Basic Marketing: A Global-Marketing Approach. 16th edition, New York: McCarthy, 2008
- Clow, K. Baack, D.: Reklama, propagace a marketingová komunikace, první vydání. Praha, Computer press, a.s. 2008
- Dibb, S. Simkin, L.: The marketing casebook. Cases and concepts. 2nd edition, London: Thomson Learning, 2001
- Fill, Ch.: Marketing communications. 4th edition, engagements, strategies and practise Edinburgh: Prentice Hall, 1994, Pearson Education limited, 2006,
- Kotler, P. Armstrong, G.: Marketing and introduction. New Jersey: Pearson Prentice Hall. 2006
- Kotler, P., Armstrong, G. , Saunders, J. , Wong, V.: Principles of Marketing. 2nd european edition. New Jersey. Prentice Hall 1999.
- Kotler, P. Keller, K.: Marketing management. 12.vydani, New Jersey: Prentice Hall, 2006, Praha: Grada publishing, 2007
- Foret, M.: Marketingová komunikace, 2. vydani, Brno: Computer press, a.s. 2008
- Solomon, Marshall, G., Stuart, E.: Marketing. první vydání. Brno, Computer press, a.s. 2006

Internet sources:

- Direct marketing v digitálním věku. *Online, nebo offline?* 2009
<http://www.strategie.cz/scripts/detail.php?id=443018>
- Your Product in the News, 2010 <http://www.publicity.com/>
- Marketing mix, *Elements of marketing mix*
<http://www.teneric.co.uk/businessinfo/marketing-mix.html>
- Marketingový mix - *jeho rozbor, možnosti využití a problem*, 2005
<http://marketing.robertnemec.com/marketingovy-mix-rozbor/>

OMD: Reklamní výdaje v médiích letos s výjimkou internetu klesnou, 2009

<http://www.patria.cz/Zpravodajstvi/1439431/omd-reklamni-vydaje-v-mediich-letos-s-vyjimkou-internetu-klesnou.html?culture=sk-SK>

Podpora prodeje v maloobchodě, *Cíle podpory prodeje* 2009 [http://www.m-](http://www.m-journal.cz/cs/reklama-podpora-prodeje/podpora-prodeje/podpora-prodeje-v-maloobchode__s394x543.html)

[journal.cz/cs/reklama-podpora-prodeje/podpora-prodeje/podpora-prodeje-v-maloobchode__s394x543.html](http://www.m-journal.cz/cs/reklama-podpora-prodeje/podpora-prodeje/podpora-prodeje-v-maloobchode__s394x543.html)

What is Marketing? *Some basic definitions of marketing and the marketing concept.*

http://marketingteacher.com/Lessons/lesson_what_is_marketing.htm

LIST OF TABLES AND FIGURES

List of tables

Table 1: Comparison of promotional elements	17
Table 2: Share of media advertising in Czech market	18
Table 3: Investments in advertising in percent	18
Table 4: Comparison of the main advertising media alternatives	20
Table 5: Targets of the three groups	29
Table 6: Permitted and forbidden sales promotion tools in European countries	30
Table 7: The structure of communications mix in 2009	46
Table 8: The investments in the tools of marketing communications	46
Table 9: Rate of marketing communications tools	47

List of figures

Figure 1: The structure of investment in CZK in internet advertising in 2009	38
Figure 2: The structure of investment in CZK in printed advertising in 2009	40
Figure 3: The structure of investment in CZK in outdoor advertising in 2009	41

