Marketing mix analysis in company XY

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Úvod

Teoretická část

Provedte rešerši literárních pramenů vztahující se k problematice marketingového mixu.

Analytická část

Provedte analýzu marketingového mixu společnosti XY.

Na základě analýzy navrhněte doporučení na zlepšení stávajícího stavu.

Závěr

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KURTZ, D. L., BOONE, L. E. Principles of marketing. 12 ed. USA: Thomson South-West, 2006, 703 p. ISBN 0-324-32379-4.

PICKTON, D., BRODERICK, A. Integrated marketing communication. 2nd ed. Harlow: Prentice Hall, 2005, 761 p. ISBN 0-73-67645-8.

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ABSTRAKT

Bakalářská práce je zaměřená na analýzu nástrojů marketingového mixu ve společnosti

XY.

Bakalářská práce je rozdělena na dvě části – teoretickou a praktickou. V teoretické části je

provedena literární rešerše o analýze marketingového prostředí a složky marketingového

mixu. V analytické části je představena firma, marketingový mix e-shopů Patro Group a

strategie jeho použití.

Klíčová slova: Marketingový mix, produkt, cena, distribuce, propagace, komunikační mix.

ABSTRACT

My thesis is focused on the analysis of marketing mix tools in company XY.

This work is divided into two parts - theoretical and practical. In the theoretical part are

general information about analysis of marketing environment, and then the major

components of the marketing mix. In practical part is introduced the company, the

marketing mix of the e-shops Patro Group and strategy for its utilization.

Keywords: Marketing mix, product, price, distribution, promotion, communication mix.

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INTRODUCTION

Theme of bachelor thesis is: Analysis of marketing mix in company NWT a.s. and their eshops Patro Group. The aim of bachelor thesis is analysis of marketing successful behaviour of company NWT a.s. Necessary component for the proper functioning emarketing company is the replacement of physical image and configured marketing mix.

In bachelor thesis will be used the method of description, comparison and analysis. Thesis consists of two parts: theoretical and practical part.

In theoretical part will be explained marketing mix and concrete instruments (Product, Price, Place, and Promotion). Thesis will be also focused on customer satisfaction, basic principles of customer care, maintaining and attracting customers. Next point will be psychology of sales, which is very important in personal negotiations.

In practical part will be introduced situations addressed to the company NWT a.s., where will be characterized the company (name, legal form, headquarter, main subject of enterprise and business partners which of them is the company in business relationship. History, organizational structure and achieved economical results will be briefly introduced.

In analysis of marketing mix will be discussed individual tools of place, product, price, promotion and other P's of the company. Recommended improvements will be proposed based on author's own survey of potential customers and shopping behaviour.

The aim of final statement will be analyze marketing mix of Patro Group, find out weaknesses and based on the results of author's own survey recommend marketing strategy.

I. THEORY

1 MARKETING MIX

The phrase marketing mix was first used by N. H. Borc in 1948. He wanted to explain clearly that firm's marketing activities couldn't be understood as sum up of tools, but in complex matter, where result have to be harmonically connected. (Foret 2000)

"Marketing mix is the set of controllable tactical marketing tools-product, price, place and promotion that the firm blends to produce the response it wants in the target market." (Armstrong and Kotler 1991, p. 50)

In original marketing mix there were approximately 14P not only 4P. The ingredients included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. These ingredients were lately grouped by E. Jerome McCarthy in 4P which are generally the most important from all – Product, Price, Promotion and Placement. (Scribd.com 2011)

Other P's were introduced with the growing utilization of internet as marketplace, but after the collapse of the technology bubble of Internet companies in 2001, the market cleared from companies with little or none intrinsic value. In the end this collapse shows entrepreneurs that Internet is a great place to meet supply with demand and future profits can be made by shopping in virtual world. "Finally, technology is shifting from the mechanical world to the digital world – the internet, computers, cell phones, and social media – which is having a profound impact on the behaviour of producers and consumers." (Kotler, Kartajaya and Setiawan 2010, p.

11)



Picture 1. Marketing mix. Source: KAUSHAL, K.

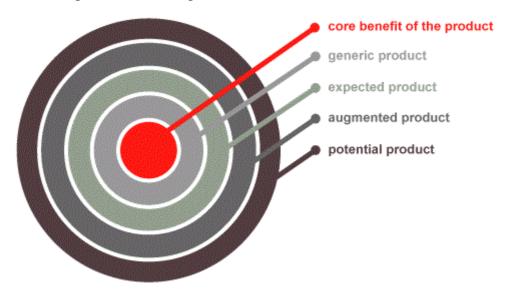
It's anything that could be offered on the market for satisfaction of customer needs and wishes. Offered products on the market are material goods, services, experiences, events, information, etc. It could be said that product is a collection of physical and spiritual quality. (Kotler 2001)

"In marketing, the word product means more than a good, service, or idea. Product is a broad concept that also encompasses the satisfaction of all consumer needs in relation to a good, service, or idea." (Kurtz and Boone 2006, p. 49-50)

1.1.1 Level of product

There are five hierarchical levels in product. They are surrounded around hypothetical core. Higher level increase benefit value of the product for customer. But the most important level is general usefulness for customer. This general usefulness is in second level, transferred into concrete usable product or service.

Third level, represent idealized anticipation of the product, which include features and merits distinct from competition. Fourth level is enhanced product for something else, we add something. And in final fifth level is enlarged potential product of features or services which has potential to be improved in future. (Tehrani 2009)



Picture 2. Five product levels. Source: KOTLER, P.

Classification of product

This category includes tangible and intangible products. Tangible products can be divided for short-term and long-term usage goods. Intangible products are services.

Consumable goods

Customers leading by their purchase habits are buying wide spectrum of products which are in the first place goods of short-term usage, goods of long-term usage, specialties and unknown goods. (Tehrani 2009)

Goods for companies

Represent large range of different kinds of goods and services which goes in manufacturing process or serve as cover for production. It is material, raw material, semi-finished product, capital investments and services. (Tehrani 2009)

1.1.2 Production mix

Two or more products are offered on the market by companies. Collection of whole products and services offered to customers is called production assortment (to put it differently production mix Production mix contain production lines and production line is composed of individual items of productions. "When business adds more product lines, they widen the product mix and by virtue increase the overall size of the business. Lengthening the existing product line enables a company to be associated with a full line of products." (Tehrani 2009, p.72) Items include product, brand, packaging and offered service.

Features of production mix

- Breadth of production assortment
- Deep of production assortment
- Duration of production assortment
- Consistence (Soukalová 2005)

1.1.3 Brand

Brand is a marking of product or service, which serve to differentiate product from competition. One of the important tasks is building and keeping goodwill of the brand. Brand help recognize the product for the customer. Also it is a guarantee of quality. Goods of the particular manufacturer are identified by name, symbol, number, shape or their mutual combination. Brand is registered under trade mark and is law protected. (Pelsmacker and Geuens and Bergh 2007)

1.1.4 Packaging of product

Package has protective and promotional function of the product. Package sells itself and should be aesthetic, because it can decide for purchase or not. It can improve usage of a product, storage, alienation or annihilation. Significance of package is important for

introducing new product on the market. Manufacturer has to answer himself three relevant questions: 1. Which basic function will has the product? 2. Design of the product (shape, graphic solution, colour, text)? 3. Which material will be used for production? Nowadays we also consider impacts on environment sensed as social marketing. (Soukalová 2005)

1.1.5 Service

Service is activity or ability which can be offered by somebody to anybody. It's intangible and don't create any physical property. It's added value which is offered by company to distinguish the market or market segment. Provision of the service requires concrete strategic approach. Salesperson has to find the way, how connect intangible service with tangible features, how to increase productivity of services and ensure standardized good quality of the service. (Kotler and Armstrong 2004)

1.1.6 Quality

Quality is very important component of the complexity of the product. It's often connected with brand and price. Obviously product with strong brand is much more expensive and probably has better quality. In Czech Republic is quality marked by different certificated brands. In 90's were in Czech Republic given certificate Czech made which is guarantee of quality. Brand shows customers the quality of product and service. Sense of brand Czech made is to attract attention for customers on product with premium quality made in Czech Republic. (Kalka and Mäβsen 2003)

1.2 Price

Price is the amount of money which consumer pays for his goods or services. Way how to force customer to pay concrete amount of money is important goal of salesman. The best price is for customer and salesman different, but really successful salesman show customer "dollarized" value of his solution."Almost all sellers claim benefits for their products such as faster, stronger, longer lasting, superior quality, more durable, more efficient. Occasionally, the customer intuitively dollarizes the value of these claims and correctly selects the product that yields the lowest total cost." (Fox 2000, p.149)

1.2.1 Determining of price

If company came up with new products on the market or give it in distribution network or expand in new territory it has to create price for the product. Company has to make a

decision in which segment of the market will sell their product. Also it has to consider quality and price. (Horáková 2000)

There are several criteria for creating price strategy which has to be considered by company

- Determining of price strategy
- Finding demand
- Revealing costs
- Analysis of costs, prices and competitors offers
- Selection of method of determining prices
- Selection of final price (Horáková 2000)

1.2.2 Price strategy

Pricing strategies are different in life-span of the products. During first stage of the product life cycle is price usually lower to attract bigger amount of customers. Initial stage is completed when curve of sales is drastically moving up. The consciousness is sufficient and the price move up reflecting growing demand. In maturity stage company tries to find new target segments by changing the properties and also company has to be more aware of price sensitivity, because competition usually invented product which can substitute the original. (Tehrani 2009)

1.2.3 Price changes

When is price strategy of company elaborated, the company change their prices by new circumstances. Prices can be lowered, escalated or react on change of competitors prices.

Cause of lowering prices can be over-abundant production, descendent share on the market, desire of reaching dominant position on the market or economical depression.

Price can be escalated by some alternative manners. If company has leading position on the market but it was stroke by competitor with lower price level, it can react by several ways: Keep price, came up with better quality of product, decrease price, escalate price and quality of product, or introduce several range of cheaper products on the market. (Kotler and Armstrong 2004)

If company change their prices thanks to reason mentioned above, it has to consider the end customers as well. Their customers are very important asset and "any customer feedback or objection to a price change must be effectively addressed by the organization's

personnel, who must provide a reasonable justification for the price change to maintain customer satisfaction." (Tehrani 2009, p. 133)

1.3 Distribution of product

One of the most important decision which has to be done by company is to solve the question whom and where will be products sold. Also it has to be considering in which way will be product offered in the right place and time. Most of the manufactures doesn't sell their goods to end consumers. There are at least one or more marketing ways between manufacturer and end customer. These marketing ways consists of middlemen whose have several functions. Way getting goods to purchaser is called distribution channel. Distribution channel is complex of all middlemen. (Kozák and Staňková 2004)

1.3.1 Distribution channels

Distribution channels could be characterized as distribution of goods from manufacturer to purchaser. They can be without level or multilevel, this depends on how many middlemen are between them. Main function of distribution channels is trade, logistic and supportive function. Trade function ensure that activities which influence transactions between manufacturers, connection link and customers. Logistic function includes activities which are needed to ensure physical distribution of products from manufacturer to consumer. Supportive function helps to simplify and facilitate transfer of goods from manufacturer to consumer. Customers wishes and needs and on the other hand character, features and image of the product belongs to sale intensity. It's way of distribution which is chosen by manufacturer.

We differ from intensive sale, selective and exclusive sale. Intensive sale include an effort to sell product in the largest possible numbers with integrating the largest possible numbers of middlemen. Selective sale is pursued by retail shops. Exclusive right for sale of products on particular place has exclusive sale. Products belonging to category of exclusive sale are chiefly with extraordinary market position. (Kotler 2001)

Organization of distribution channel shows us how individual units are dependent to each other. Traditional distribution system consists of separate independent subjects. It's most cases wholesale, retail, agents which aren't considered to be tied up by other units of the system. Vertical marketing systems are composed of manufacturers, wholesale and retail. These units are homogenous system and are centrally controlled. Individual members lose their independence. Horizontal marketing system shows us how to develop distribution

channels. Main idea is connection of two or more companies on same logistic level. Goal is to increase attraction of outlet with sale of goods and decreasing costs. (Kotler and Armstrong 2004)

1.3.2 Wholesale

Wholesale is an operation where all sales of goods and services are concerned to purchase for next sale to retailers or other organizations. Position in the system of distribution between production and final consumer influence their function. (Armstrong and Kotler 2005)

"Wholesaling includes all activities involved in selling goods and services to those buying for resale or business use. Wholesalers buy mostly from producers and sell mostly to retailers, industrial consumers and others wholesalers." (Armstrong and Kotler 2005, p.413)

There are several criteria for wholesale. At first it has to choose target market, size of the market, kind of customer, required services and other criteria. Assortment of offered products and services, price strategy, promotion and emplacement has to be chosen. (Armstrong and Kotler 2005)

Four types of wholesales:

- 1. Usual wholesale which offer full services, middlemen, industrial distributors, wholesales with restricted services, cash sale, wholesale transportation, ensuring wholesale deliveries, etc.
- 2. Brokers and delegates, whose doesn't own the goods and they have to done only restricted tasks.
- Branches and offices of manufacturers and retailers where negotiations between salesperson and customer are putted in effect. Manufactures establish independent branches and offices for empowering and gathering control over supply, sales and promotion.
- 4. Other wholesales which are specialized in miscellaneous sales. It's agricultural purchasing companies, auction companies, companies for the sake of oil transportation. (Kotler and Armstrong 1991)

1.3.3 Retail outlet

Retail is an activity connected with sale goods and offering services to final consumer for his own personal need. Production company or company store or wholesale organization can pursue retail. Retail is usually more focused (than wholesale) on offering services, flexibility of changes and rightly selected retail mix. Retail mix is complex of tools which influences customer decisions if buy product or not. Right placement of outlet, size and interior of outlet, proper personnel selection, price level, assortment and offered services are momentous decision of the company in retail mix.

Retail units are divided according to several criteria. Specialized outlets - offering narrow range of assortment of goods. Outlets with goods of daily consumption (supermarkets, hypermarkets), which represent outlets with basic grocery's assortment and other accessories in a limited range. Department stores have wide range of assortment on one place. Discount stores are usually members of outlet chain which offers wide range of assortment. Large store complexes are called shopping malls which has variety of independent and specialized trade companies and department stores. Shopping malls are mostly placed on peripheral places behind of cities. Moreover there are outlets where customers choose goods from catalogue and if they are satisfied after scrutiny in show room, they can fill the order papers and goods are then bring out from stock. (Armstrong and Kotler 2005)

1.4 Promotion

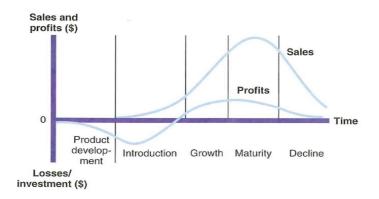
"It is the specific mix of advertising, personal selling, sales promotion, and public relations a company uses to pursue its advertising and marketing activities." (Armstrong and Kotler 2005, p. 399)

Promotion is one of the ingredience of marketing mix which spread consciousness about offered product or service. Company has to not only manufacture product but in appropriate way inform potential customers about the functions and advantages of product. Task of marketing communication is to call out interest about company and her production, maintaining current customers and influencing their buying behaviour and gathering new customers. Potential group of customers spent more time on internet searching for better alternatives for satisfying their needs. Due to speed of internet connection and customers ideas is internet as marketplace very competitive environment. "The Internet is becoming a more viable medium to promote products and services because of the increasing availability of advertising. Furthermore, the constant improvement of technology has led marketers to be able to improve the quality of their online ads. Some of the sophisticated technologies include DHTML, animated GIF images, and rich media." (Kurtz and Boone 2006, p. 187]

Nowadays clients are demanding more utility value, innovation, quality, accessories and design of product. So the companies face the challenge of how to develop their products to adopt consumer. This process is called business development and it is: "process which enables to pre-empt the world's changes. It hopefully precedes them, anticipates them, and, if not, at least is infinitely flexible in relationship to them. "(Gerber 1995, p. 127)

Factors which influence process development strategy of the company:

- Nature of the product: There are differences between product of consumer's
 nature and products of investment nature. Consumer's product are presented by
 mass media whereas for product of investment is individual focus (e.g. personal
 negotiation) more suitable. (Armstrong and Kotler 2005)
- **Product life cycle**: Intensity and targeting of communication change depending on stage of product life cycle. At first stage is entire effort of company focused on creating subconscious about product (reaching several levels of knowledge and information). In next stages **Target group**: Basic principle of dividing targeting group is on focusing on the final consumer or distributive (commercial) connection links. When we are aiming on final consumer we have to primarily provoke demand by media and advertisement.



Picture 3. Sales and profits. Source: Armstrong and Kotler 2005, p. 277

 Available resources: Our finance given in promotion can be also determined by situation on the market so we have to consider market share, competition, effort and capability of competitors marketing department. (Armstrong and Kotler 2005)

1.4.1 Advertisement

"Advertising is any paid, nonperson communication through various media about a business firm, not-profit-organization, product, or idea by a sponsor identified in a message that is intended to inform or persuade members of a particular audience." (Kurtz and Boone 2006, p. 493)

It is the most common element of marketing communication. Usual consumers are very often influenced by advertisement because they encounter with it in TV, newspapers, magazines and other media. In public consciousness is still wrong idea that marketing is all about advertisement. Definition of advertisement is "any paid form of communication through mass media directed at identified consumers to provide information and influence their actions." (Quizlet.com, 2005)

It is targeted activity, which brings information to potential customers about existence of product, its features, strengths, quality etc. In the long run goal of ad is to persuade potential customer to purchase.

1.4.2 Sales promotion

Sales promotion is complex of activities which impress directly on customer buying behaviour e.g.: notice on time restricted discounts or added advantage like a free gift, opportunity to win a prize in contest etc. Stimulation has to be used with great impact on customer decision. Sales promotions cause an effect immediately after announcing but have very short-term impact. It has to refill advertisement and even in some countries like USA sales promotion prevail on advertisement. Sales promotion permeates the entire communication mix of the company and for this reason is difficult to gain full extent. (Pickton and Broderick 2005)

Sales promotion has some disadvantages which company has to take in minds:

- So often used time restricted discount can cause a damage of company image.

 Customers can be disoriented and gather an impression of low quality of products.
- Some customers disagree to buy products with ordinary prices and wait for discount vouchers, quantity discount etc.
- Sales promotion can also cause short-term profit, but the profitability isn't sustainable for long-term period. Many customers are returning to competitors when discount come to an end. (Armstrong and Kotler 2005)

1.4.3 Public relations

"Public relations refer to a firm's communications and relationships with its various public. These public include customers, suppliers, stockholders, employees, the government, the general public, and the society in which the organization operates." (Kurtz and Boone 2006, p. 495)

Public relations are in western countries important ingredience of communication marketing. It is kind of activity of company on public, which generate and maintain positive attitudes and relationship to company.

Impact of PR is based on three different features:

- 1. High credibility newspaper news, articles and reviews are for readers more authentic and credible than ads.
- 2. Ability to reach buyers unexpectedly we can address these types of perspective consumers whose avoids salespersons and ads.
- 3. Dramatization PR has potential for emphasizing of the company or product or service. (Armstrong and Kotler 2005)

1.4.4 Personal sale

It is primarily very effective tool in situations when consumer preferences are created. Thanks to hand-to-hand effect is this element of communication mix able to persuade customer about the advantages of product much better than advertisement. Sales person can be better prepared on individual needs and wishes of the customers or business partners.

Personal sale has four continually followed steps called CARE:

- 1. "C is for Contact. The initial approach is key. Salesclerks tell customers they are non commissioned so they won't feel they are being hustled.
- 2. *A is for Ask*. Questions are used to determine what customers are looking for and how eager they are to buy.
- 3. *R is for Recommend*. Most customers aren't exactly sure what they want and respond to specific suggestions about which item is best for them.
- 4. *E is for Encourage*. Praising the customer's purchase and showing how much fun the gadget will be strokes a customer's ego." (Kurtz and Boone 2006, p. 557)

1.4.5 Direct marketing

Direct marketing can be defined as usage of direct communication channels addressed to potential customers. It includes also services like delivery of goods and services without any middlemen. Direct mails, catalogues, telemarketing, face-to-face sales, interactive TVs, kiosks, web pages and mobile devices are tools of direct marketing. (Armstrong and Kotler 2005)

"The use of direct communication to a consumer or business recipient designed to generate a response in the form of an order (direct order), a request for further information (lead generation), or visit to a place of business to purchase specific goods or services (traffic generation)." (Kurtz and Boone 2006, p. 495)

Nowadays is direct marketing one of the most expanding tool which has great impact on relationship with customers. Many businessmen send to their customer's birthday congratulation, information pamphlets or small gifts mostly with logo of the company. Some companies build strong customer base by way of loyalty programs, rewarding high frequency of shopping and joining to club programs.

Advantages of direct marketing:

- Shopping from home
- Shopping anytime and anywhere
- Wider range of goods
- Products can be more easily compared
- Action of direct marketing has better measurability (Armstrong and Kotler 2005)

1.5 Privacy

There is nothing worst for company than lack of customers. It's lifeblood of company and reliability between them and company is cornerstone of long-lasting relationship. A lot of work on building reputation of the online store can be quickly ravaged by undervaluation of electronic trade security and privacy policy.

"There are four types of privacy concerns that commonly arise for customers.:

- 1. **Awareness of Data Collections:** The extent to which customer's information is collected and stored by business.
- 2. **Secondary Use:** Secondary use refers to the concerns that users have about the use of their personal information for other purposes without their personal authorization.
- 3. **Degree of control:** The degree of control that business has over the collection and usage of particular customer information.

4. **Duration and Extent of the Transaction:** The future use of the information stored in the database when and individual is not aware of its use." (Kotler, Kartajaya and Setiawan, 2010 p. 266-267)

Logically there can be conflict of interest between gathering information about customer to have competitive advantage and customer privacy. Company should inform customers through purchasing process that they obey laws about privacy policy, concretely law n.101/2000 collection and that their personal data wouldn't be traced by third-party users, especially their credit card number, birth date ID number.

Furthermore customer should have the choice of cancelling of electronic magazines, send in their email accounts, usually known such as newsletters.

2 CUSTOMER SATISFACTION

Every business depends on customers and that is why companies try to feel their customers satisfied. Nowadays are customer feelings about company more important, because competition is fierce and customer satisfaction is competitive advantage and company is also more stabile if it has loyal customer base.

Main point to customer s' satisfaction is to set up company's partners and their needs, wishes and desires. Then give them your thoughtfulness, courtesy and listen to them. (Kotler 2001)

2.1 Basic principles about customer care

Companies have to respect several principles of customer care:

Honesty: It is basic column of long-term relationship. If we are openness and treat with them sincerely, giving them correct information etc, customers are behaving to us with trust. It can be also helpful when customers are giving us information about competition, their prices and industrial espionage.

Proactivity. It is ability to anticipate customer's behaviour on certain impulse. Every company has to consider and anticipate customers' troubles and implement solutions in developing product for them. It's kind of empathy mixed with revealing hidden desire.

Fair negotiation. Relationship between company and customer has to be based on winwin strategy where both side has to gather something. From this reason companies shouldn't conceal any information for their advantage because there is a danger that customer reveal dishonest behaviour. Disappointed customer loose trust in brand of company and there is danger of increasing bad reputation about company when is talking to their friends about bad experience.

Customer knowledge. It's very important for targeting market segment of partners. If we know the customer (social class, family, average income, etc.) we can prepare better offer for him. (Spáčil 2003)

2.2 Attracting customers

Main goal of entrepreneurship is long-term profitability. If the companies want to accomplish this goal they have to devote a lot of time and finance to retrieval new customers.

There are three know-how rules which help us gather new customers:

1. Attraction of customer attention.

- 2. Influence customer needs.
- 3. Influence on customer purchasing behaviour.

Specific promotion, individual information, effort to persuade customers about usefulness of the product or service has to be focused on potential customers. Companies have to realize that potential customer has no experience with us so we have to be focused on our good first impression. (Kotler and Armstrong 2004)

2.3 Maintaining customers

Many companies are trying to lure new customer then maintain their old customers. It's mistake to do not pay attention on long-term relationship through loyal programmes. Satisfied customer has several advantages for company. He remains loyal therefore he doesn't care about higher prices and easily overcome troubles which can appear during partnership. A satisfied business partner gives us positive recommendation to other potential customers and therefore creates positive ad for our company. "Very satisfied customers buy more products and are helpful for giving a feedback for our product or service. This is important for improving or developing new products." (Schiffman and Kanuk 2004, p. 342)

"Relationship marketing is the key for maintain customers. It's important to distinguish five different levels of developing customer relationship.

- Basic marketing
- Reactive marketing
- Responsible marketing
- Preventive marketing
- Partnership marketing" (Kotler and Armstrong 2004, p. 283)

2.4 Tools of negotiations

There are three basic tools of negotiations: power, time and information. Handling these tools are keys for successfully negotiation.

Power

Every company use own strategy of power. General definition is as source or form of energy which strengthen or weakens our position or position of other side. Source of power are competition, knowledge, expertise, investment, reward or punishment, legitimacy, team support, image, morality and stamina.

Information

Information are sometimes more valuable than money. Experienced businessman collect large amount of information before negotiations begin. Information is essential part of successfully negotiation. It's right to ask people whose are in touch with other side for background information. Getting more information about customer needs is giving us an opportunity for creative negotiation.

Time

Time is also crucial factor which influence result of negotiation. When somebody is under time pressure he acts prematurely and his demands fall dawn quickly. Many companies use time limited offer which persuade customers for quick and unconsidered purchase. (Burnett 2002, p. 122)

II. ANALYSIS

3 PRESENTATION OF THE COMPANY

Company NWT a.s. is enrolled in trade register kept by Regional Court in Brno. Company was established in 1992 in Kroměříž. Statutory authority and secretary is David Vítek who owns 91% of the company. Remaining 9% have Ing. Jiří Stodůlka, Ing. Zdeněk Topič and Bc. Martina Vítková.

Company NWT a.s. is one of the largest IT firm in Czech republic.

Philosophy of the company is to offer comprehensive services with high added value to the professional level and approachable prices. Goal is long-term relationship with customers based on mutual trust. When the Czech Republic joined the European Union in 2004, close cooperation between NWT a.s. management and organizations supporting the development of regional and structural policies were put in place. Thanks to knowledge of the issues the company has successfully implemented a number of projects that enable her to get ahead competition and increase added value for its customers.

NWT a.s. focuses primarily on the following client groups:

- 1. From the smallest businesses to multinational corporations
- 2. Public sector (education, health, offices ...)
- 3. Home and home users who buy online

Customer portfolio consists mainly from ministry, state administration, local government (schools, hospitals, offices), banks, leasing companies, multinational corporations. Furthermore significant regional and medium-sized enterprises and finally small businesses and home buyers purchasing products mainly via the internet are key business partners.

Key mottos of NWT a.s.:

- 1. "Quality is in the details."
- 2. "We know why we work."
- 3. "Above standard is our standard."

3.1 History of the company

NWT a.s. was founded in 1995. Seat of the newly formed company is Hulín, a second branch is Kroměřížská shop. Initially was the company focused on sales and services to retail customers. Dynamically expanding activities laid the groundwork for good start wholesale sales. Supported by successes in selling the company committed separate division, which focuses on comprehensive solutions with high added value – e.g. the

implementation of computer network communications, intranet and internet.

In early 1999, a branch office in Zlín was established. Important milestone in the history was the acquisition of ISO certificate. According to ISO standards series 9,001th in 2000 the company had a turnover 130 million and nowadays is one of the 100 largest companies. In the same year become a Microsoft Certified Partner and receives HP Business Partner of the Year.

In 2001 the company moves to a new information system. It's operational online B2B system solutions for customers and it significantly improved the on-line connection of branches to the central server. There was an acquisition "PřerovskéInfoWeb" Internet company and thus greatly enhance the region's internet division. The new branch in Prague was founded in 2002. At the end of her then supplemented another branch in Prague after the acquisition of the "Cedrus" - the leading Czech suppliers and mobile printing solutions from HP. Annual Turnover in 2002 was 212 million CZK.

In 2003, the company had over 60 employees. Expand Division Services, a division of internet is growing by acquisition in those ones. Special Solutions Division is working on a project the "Slunce do škol."

In 2004 the company expanded portfolio of services and consolidate existing market positions. Due to expansion of Zlín branch is building a new modern building. In early 2005 the company had more than 90 employees. Project management is applied both within divisions. The development plan also includes completion of reconstruction of the Zlín branch in the project of the Ministry Trade and Industry, Department of Structural Resources Investors in People.

In early 2006, the company has 110 employees. Acquires several important certifications - Microsoft Gold Certified Partner, Microsoft Small Business Specialist, HP preferred Partner and is certified as one of the few companies, even for installation of fiscal cash registers. In the same year, the NWT a.s.is an authorized service partner of Fujitsu Siemens.

In 2007, the NWT a.s. becomes an authorized service partner of IBM. Ongoing completion and supervision centre building a new logistics centre in Hulín. Number of employees, despite of the sales division, expanded to more than 130 employees. Total turnover in 2007 amounted to 550 million CZK.

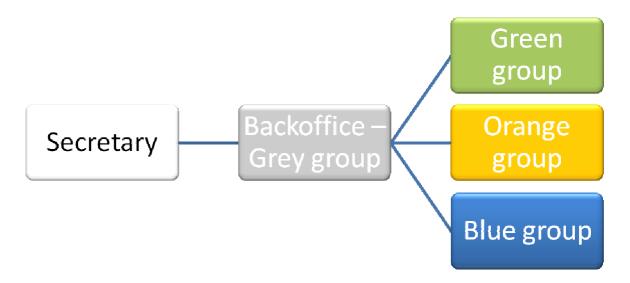
The year 2008 was marked by the ever improving trend in service and services for customers. Company has launched a surveillance centre, which are connected to all customers who provide network management and IT outsourcing. But there is no problem

to connect anyone else. Part of the Hi-Tech Company in Uherské Hradiště was purchased, thereby significantly extending the coverage of wireless network which extends from the Valašské Meziříčí to Hodonín. Photovoltaic power and cogeneration units are increasing performance in electricity generation. Already company see different values of divisions and by colour are trying to communicate to customers, such as through a new web www.nwt.cz.

In 2009 the division was created NWT Solar, which specializes in construction of photovoltaic power plants of all sizes. To the end 2009, 6 structures have been realized from 30 kWp to more than 1 MWp. Company continue to try to invest in renewable energy - are preparing new projects in the field of CNG and biotechnology. Internet commerce changed PATRO.cz web site design including the logo. It is not only a new look online store, but it is completely rebuilt from the ground including new programming site. Users were introduced to completely new business portal, currently the fastest search algorithm on the Czech site.

3.2 Organizational structure

NWT a.s. is large company although it is flexible and adaptable of customers needs. For every target group of clients has the company individual trade policy. It is crucial to develop and focus to company's employees because business is about people.



Picture 4. Organizational structure of the company NWT a.s. Source: NWT a.s.

Outer organizational structure has three divisions which are visually separated by colours:

Green group is focused on mass-market with lowest price. It has an effort to offer the widest portfolio of products. Main sale channel is internet. Green group pursue web stores of the family Patro Group.

Orange group offers services like connection to internet, voice services, network management, webhosting, outsourcing, printing solutions. In this group belongs subsidiary companies EMEA s.r.o. – ADSL, Audio lines, mobile calls, VoIP.

Blue group offers standard ICT services, system integration, back up, data safety, printing solutions and hospital information system.

3.3 Company's goal

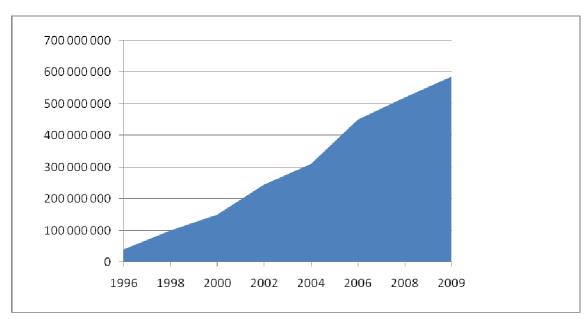
Company NWT a.s. determines their goal in long-term advance. The main goal is sustainability of economic growth without decline of customer care. The company appreciate their addiction to consumer behaviour and their impact on profitability of the company.

The company has to make analysis of customer satisfaction, analysis of the competition on the market, determine SWOT analysis and their marketing and financial goals. Because of size and organizational structure, the company has to improve their inner organizational structure and control performance individual departments.

Strategic goals are sale strategy, strategy of buying, strategy of revenue, strategy of debt in the private sector, strategy of reduction of the costs.

3.4 Economic results

Economic outcome has growing but not jumping character. The graph shows the effort of the long-term positive economic result and economic stability.



Graph 1, Annual report. Source: NWT a.s., nám. Míru 1217, 768 24 Hulín, Výroční zpráva, online, 9-11-2010, Available from WWW: http://www.nwt.cz/img/static/file/Vyr_zprava.pdf

4 MARKETING MIX OF THE PATRO GROUP.

Marketing mix is one of the basic tools which show development of the company on the market. It's one of the tools which set up goal of the company.

In bachelors thesis is treated marketing mix of the internet division of NWT a.s. – e-shops belonging to the Patro Group. There will be explored individual tools of marketing mix: Offered products, price of the products, distribution ways – place with utilization of promotion.

In 1998 was group of internet department stores Patro Group founded. It concerns with retail sales of a broad product portfolio and looking for opportunities the online environment in general, but especially in relation to final customers. Www.patro.cz is the dominant sales channel of Patro Group, but registration on this website customer gains access to several specialized online stores:

- 1. www.dobreleky.cz
- 2. www.zahradnishop.cz
- 3. www.dvdmax.cz
- 4. www.alfasport.cz
- 5. www.ikancelar.cz
- 6. www.knihy.cz
- 7. www.patrotour.cz

4.1 Product

Company NWT a.s. and their internet division of Patro Group offer many products from different types of consumer's market. E.g.: Furniture, home accessories, floors, electronics, music instruments, etc.

In bachelor thesis is divided products and services in 9 groups which provide e-shops Patro Group.

4.1.1 Assortment and brands

Company NWT a.s. sells through the e-shops Patro Group products for consumers market. In this field is very fierce competition. From this reason company's policy is to offer wide range of products with presentable quality for good price. Company is opened to needs and wishes of the customers and flexibly reflects to the new customer behaviour. Although their customers have different needs, the company struggle for individual fulfilment of their wishes. Customers can compare products of many manufacturers, which sells same or

similar products. Products which aren't available are quickly ordered for customer satisfaction.

VARIETY OF ASSORTMENT				
Small Appliances	Underwear			
Large Appliances	Books			
Built-in Appliances	PC books			
Household	Music			
Tescoma	Movies			
Furniture	Games for PC and consoles			
Lamps	Sport			
Home accessories	Hookah			
Floors	Musical Instruments			
Electronics	Shoes			
Satellite Technology	Handbags and purses			
Photographic equipment	Watches and clocks			
Mobile Phones	Jewellery			
GPS	Erotic shop			
	Drug store			
Hardware	Pharmacy			
Supplies	Hand tools			
Software	Electronic tools and machinery			
	Tires			
	Goods for garden			
Office Equipment	Gifts			
Stationery	Gift vouchers			
Goods for your pet	Holidays and tours			

Figure 1.Variety of assortment. Source: NWT a.s.

Guarantee of quality

The company has high standard of quality and services and most of their customers are satisfied with this. The whole assortment is covered by a certificate, declaration of conformity according to the applicable legal standards. Suppliers are carefully chosen, and perform routine quality control of goods. From customers survey I know that main problem of online shops are quality products and advice appropriate to use for proper operation. Some customers do not know what security policies are followed at work, but thanks to trained and professional salespersons are trying to eliminate the potential risk of injury when using products.

4.2 Price

Due to heterogeneity of the e-shopwww.patro.cz has company many different customers and wide target market. Prices of certain goods in the ordinary course of the store and the Internet are different. Green group focused on the sale which includes shops chooses the strategy of low prices. The prices in online stores are about 10 to 30% lower than in malls, with big differences between different types of goods.

4.2.1 Discounts

The company responds to dynamic changes in the market both short-term discounts, which are temporary, or sales, which are limited warehouse stocks. Moreover, the CLP (Customer Loyalty Programme) aims at customer satisfaction and maintain long-term customers. Therefore, using a loyalty program "Patronka" is available for registered customers. Its aim is to reward customers purchasing goods depending on the volume of orders and allows them to get back some money for the goods by crediting into their virtual wallets – "Patronky", which may then be used to obtain discounts for additional purchases. When the conditions of entry into the "Patronka" are registered, customer set up a virtual wallet to which it will be attributed to points (virtual money) from the purchased products. These points are shown in detail for each product, thus guaranteeing that every customer knows in advance how many points it will be credited after purchase.

The customer can use their points in the virtual wallet –"Patronka" of the purchase of goods or services, reduce it by the price of goods ordered on the amount used to pay the purchase price - that you choose during the making of the order and verifies the choice before the completion of each order.

Within few months, appeared on the internet marketplace many sites offering huge discounts. E-shopwww.patro.cz utilizes this trend and sees an opportunity to promote their products through site www.bonif.cz. Based on customer location and time limits on offers can company reduce costs on product and approach to segment of customers who will never be interested in usual offer. These Specials has positive impact on widening customer base.

4.2.2 Payment terms

Because the company weights its customers, it is offering, if necessary, professional advice on the financing of their products. Customers can choose from different types of payments through credit company ESSOX. Part of the web interface is also patro.cz repayment calculator. The company tries to deal with customers fair, therefore, clearly indicates the annual percentage rate on the loan as a percentage.

4.3 Place

Customers can choose how their goods will be delivered. Customers can personally take the merchandise in four locations within the Republic - in Hulín, Prague, Brno, Ostrava, Zlín, Hradec Králové and Kroměříž always on weekdays from 8:00 to 5:00 p.m. In the case of sending orders abroad, the company collaborate with external transport companies DHL (only Slovakia republic) and FedEx. Most frequently used methods of delivery are listed in the figure.

Type of transport	Description
Business package (Českápošta)	Billed in two parts: postage
	Carting home to work on time the next day
	In the absence of the goods can be picked up
	within 7 days post
Shipping service (PPL up to 20 kg)	Delivery within 24 hours after dispatch
Shipping service	Delivery within 48 hours after dispatch
Over 20 kg	Phone carrier delivery time, always announces in
5	advance the day of delivery

Shipping service	Delivery within 48 hours after dispatch
Over 100 kg	Phone carrier delivery time, always announces in
	advance the day of delivery

Figure 2. Delivery options. Source: NWT a.s

In addition, the customer can pay extra for premium services such as exact time of delivery, which is could be also in the evening. Then take out goods to hard to reach areas (usually flats without elevator) or disposal and ecological destruction of an old product.

4.4 Promotion

4.4.1 Personal sale

Company stores, can be currently found in Zlín, Kroměříž, Hulín, Brno, Kroměříž, Hradec Králové, Uherské hradiště and Prague 9 – Vysočany. All stores await you willing and skilled businessmen who are ready to give professional advice. With company's size and economic stability, company provides excellent conditions for distributors – merchandise will in most cases available on the second day and at prices that will often be pleasantly surprised.

4.4.2 Retail sale

In most cases, end customers are primarily businesses, public administration and local government, education and health –i.e. Business segment. Given that for these customers is especially critical availability and rational economics of IT operations (minimize IT downtime in operation at the best price), they are biggest suppliers of the leading manufacturers in the field (in alphabetical order: Dell, Fujitsu-Siemens, HP, IBM, Microsoft).

The desire of every major manufacturer of hardware and software to resellers (companies like NWT a.s., which will design and deliver their products directly to end customers) prefer only one specific brand and all competitors claimed as the worst possible.

The company's objective is different: to listen to the customer and then suggest an appropriate solution and a suitable supplier of the solution. Therefore, collaboration with smaller brands gives customers' choice of alternative solutions that complement the offer of the biggest producers.

Traders receive training on the products of all major hardware and software producers to have a really comprehensive overview of the market situation. In addition, each of dealers even as its specialization in more sophisticated solutions – storage systems, licensing, virtualization, clustering, etc.

Supplies are provided by two wholesale warehouses – in Hulín and Zlín. Delivery "to your table" runs twice a day.

4.5 Online Ads

During the year 2010 company NWT a.s. changed their online shop www.patro.cz and these changes are visible also in connectivity of online ads. Obviously disillusion of attractiveness of traditional banners led to change, which has better impact on concentration of visitors. Vertical static strips of text and pictures (skyscraper banner) with high compression of .jpg file format are placed in right side of the each page. This allows visitors to be more concentrated on tracking of goods while their attention is pleasantly focused in future steps of examination next products.

Also crucial factor of long-term relationship is to beware of pop-up windows, search engines advertisement like Google Ad Sense and other contextual advertisements. The disastrous consequences in spite of short-term profitability, has interstitial banners. The company is aware of this risk and during their long-lasting field of activity, company never succumb to temptations of short-sighted profit.

4.6 Evaluation of data from the survey

4.6.1 How was survey conducted

My goal was getting more than 300 active participants who will freely answer my questions focused on their view on online shopping. My major issue was address also older generation because they are provider of different type of feedback. My tools were social network Facebook, server www.vyplnto.cz and I could also derive from my personal contacts with classmates and friends. Logically were in my circle of acquaintances, people in my age so I encounter the problem how to gain views of older people. Thanks to my occupation in sales division and willingness of my superior I could make my survey in my employment. Often I went for my customers in their homes and I met with many diverse people who were so helpful and contributed by their opinions to credible survey.

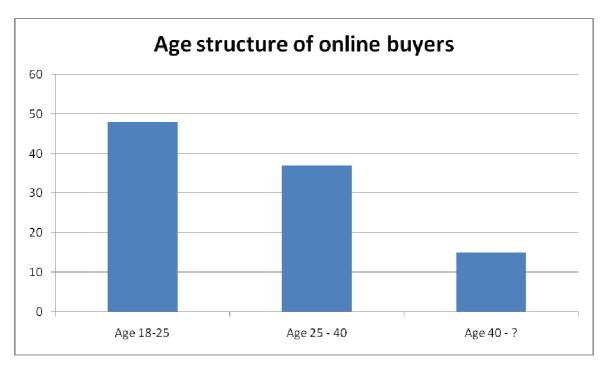
First question was from the category of closed questions. My task was to find out how much is the Internet utilized for shopping. Although this may seem too general, I think it is very important because it points out how important it is the internet as a place where supply meets with the demand.



Graph 2. Shopping online. Source: own

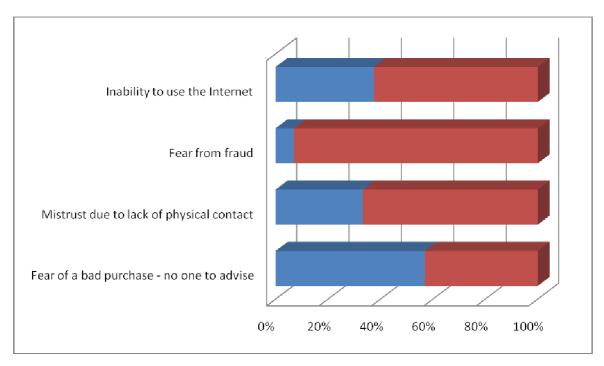
The survey clearly shows that the Internet is an established sales channel. Furthermore, I found that 95% of internet users have ever bought something in the e-shop. This figure is not included in the chart above, because I tried to filter out those users who buy repeatedly.

Next point was filter of online shoppers by age criteria.



Graph 3.Age structure. Source: own

As expected, we see a downward trend with positive correlation with increasing age. My next goal was figure out, why older generation don't utilize advantages of online shopping and how can be changed this negative trend.

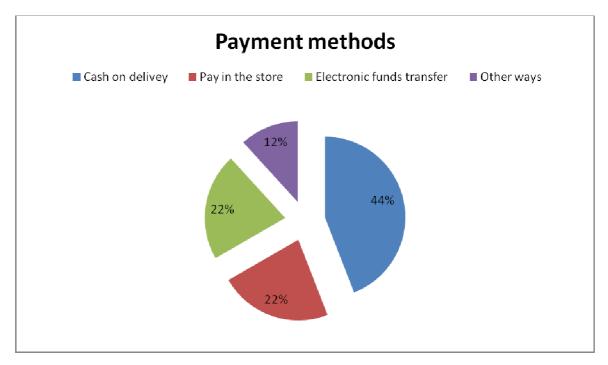


Graph 4. Objections. Source: own

Major issue and obstacle is combination of general inability complemented with fear from a bad purchase. Customer who feels unsure about how the product or service will solve his problem will postpone buy decision and let the competition solve his problem.

This phenomenon is most evident in the economically less active and older people who are looking for the cheapest option. On the other hand I believe that they would rather pay a higher amount for the reassurance that bought correctly. How can be people more sure about right purchase is the subject of chapter recommended improvements.

Another indicator is the appropriate method of payment via the online store. Pay for goods should be simple, but the customer should be certain that he gets required goods when he paid in advance.



Graph 5.Payment methods. Source: own

From the graph we see the Czech consumer conservatism. Although the payment is less convenient for delivery, still has an important place for shoppers who have a philosophy "from hand to hand." This trend will be positively changed due to growth consumer confidence in virtual shopping and security measures.

4.7 SWOT analysis of e-shops Patro Group

	Strengths	Weaknesses
Internal environment	 Good market position in B2B market Strong business partners A wide and diversified range of assortment 19 years of steady growth on the market 	 Dependence on suppliers Personalization of Web Interface High demands for control and innovation Lack of company promotions
	Opportunities	Threats
External environment	 Competition among suppliers Increasing purchasing power of citizens Growth in Internet usage 	 Strong competition of e-shops Low requirements for entry into e-market The behaviour of China Adverse demographic development - aging

Figure 3. SWOT analysis of e-shops Patro Group, Source: own

4.7.1 SWOT analysis output

During evaluation of SWOT analysis I concluded to ask myself an important question – "How to take advantage of the strengths for the suppression of threats?"

The answer is hidden in weaknesses of the company. With competitive low inputs to the e-market and relatively low long-term costs in we can expect even more competition. Due to threat of loss of customers is the investment in customer relationship important factor in the future stability of the company, even though the virtual marketplace cannot physically meet customer and dealer. Concrete steps are in chapter "Proposed improvement of the e-shops Patro Group."

5 PROPOSEDIMPROVEMENT OF THEE-SHOPSPATRO GROUP

5.1 Discounts

Two ways of discounts – Patronka and Bonif has positive impact and attract customers, but I would like to present a way how to attract them even more.

First I have to mention that I am not big promoter of percentage discounts, because their use has two disadvantages:

- 1. Drastically destroys profit.
- 2. Raise impression of poor quality.

Despite of these huge disadvantages I would like to adapt percentage discounts in e-shop, but in different form.

I proceed from the assumption that the customer likes saving money. On the other hand, I do not want this positive fact reflected in lower company profits. We all know the example of quantity discounts. These discounts can benefit the individual in the event of purchase a larger quantity of consumer goods. But how to force customers to buy in large quantities when they doesn't buy consumer goods? My recommendation is to show customers what additional products or services can improve the original product. Strong incentive to make customers pay more than it originally wanted to offer these additional services is an interesting percentage discount. The result is lower margins but higher volume of sales, which leads to greater profits. The question is how to offer customers exactly the additional services or products which may be in his circle of interest. This issue is devoted to the personalization section.

5.2 Personalization

Lack of physical image of online shops resulted in alienation with the customer. One of the procedures how to avoid this unwanted situation is building relationship through personalization of customer individual needs. Successful guru of salesmanship can use different questions based on logical, emotional level or can use open and closed questions to obtain needed information about the customer. E-shops Patro Group logically can't replace physical meeting, but has other way how to personalize the customer.

5.2.1 Past shopping history

Customer behaviour could be in some way predicted and company can use it for recommendation of the products that enhance value for the customer or noticeably increase possibility of using. Precondition for using other users' past shopping history is to offer large quantities of goods. Patro Group can deliver about 160-200 thousand goods, but don't utilize this hidden opportunity which is inside of the company.

For better understanding I will bring out an example of a customer who needs to print documents in his home. We can assume that he visit the e-shop www.patro.cz to choose a printer. It is nice that the customer can choose the printer which other customers had bought the most, but further efforts to care for a potential customer is over. I think that there is a weak point of the NWT a.s. which actually doesn't realize what actually sells. The customer does not buy a plastic box with wires that can nicely buzz and flash. The customer needs to print documents at home comfortably. Refill cartridges, paper package, installation service and etc. could be useful for him. To sum up, e-shop www.patro.cz should use the data about customers who purchase the same or similar goods purchased for the additional services. Concrete solution is embedding the script in the web page and every time when customer gave something in his virtual shopping basket, the screen with the relevant products will appear.

5.2.2 Collaborative filtering

Create a system that will assume what the customer needs, based on the purchase histories of other customers is quite simple. Refine the assumptions can the e-shop even more by exploring users who will share their personal preferences. The disadvantage is that the user must have a positive rating and be as similar as possible to new customers in the preferences. For www.patro.cz collaborative filtering can be a future source of data to predict an individual's needs. It must, however, start from scratch. First, company need a wide database of past shopping history, and it must provide the following items:

- 1. Differentiate and sort customers and middlemen
- 2. Attract current customers to rate purchased product

Let me give a concrete example of how cans www.patro.cz implement collaborative filtering:

In this case, a customer found a new hobby- he is an amateur graphic designer. He has a problem with the use of advanced tools for freeware editor Inkscape and therefore seeks for guidebook. If thee-shopwww.patro.cz had system of collaborative filtering, the customer could be experienced by graphics devotee about other possibilities of graphic editors. Extending the horizons of customer hobby could be profitable for the company, if the company can show customer next steps for further know-how.

5.2.3 Customization

Customization and personalization often overlaps each other, but there is difference in active participation of the customer. Customer should have choice of customize his account, because it enhances interaction and thereby support relationship between them and seller

5.2.3.1 Favourite list

Favourite list or wish list is another way how customer can customize his favourite e-shop. Patro Group hasn't any wish list for their customers and I think it is mistake. Company could use "wish list" to increase their profits by once in a while send customers a discount on some of the products listed on this sheet. This targeted and certainly demanded action prompts the customer to re-purchase or at least to visit their site. This has undoubtedly resulted in at least update the customer's knowledge, that there's a specific place to address their needs and wishes. This act will strengthen the relationship and for competition will be dragging customer almost impossible. The strong competition that is the Internet e-shops, their clientele is so strong competitive advantage, that company can in future charge more profits.

5.2.4 Informative articles, reviews

Company has very few informative articles or reviews on their products. Instead of reviews, e-shops in Patro Group offer brief actual news. The problem is that there are very few of this news on the websites (don't cover every category of assortment) and don't have significant impact on customer decision thanks to little meaningful value.

There are three ways how the company can change this situation:

- 1. Create a forum for each product.
- 2. Add hyperlink to a web page with concrete review.
- 3. Writing your own reviews.

The last choice – writing your own reviews, is the most expensive one. Even it is best way how to attract customers on reviews, I doubt about return on investment of this act. So I recommend obtain approval to insert hyperlink on other websites with reviews. Both subjects – the e-shops Patro Group and foreign website will benefit from an increase in visitors.

The last recommendation is to create a discussion forum where users could freely express their views about the concrete products and also freely compare with other products on the websites. However if the company NWT a.s. provide this forum, they have to defend themselves from the two risks.

- 1. Compromising the reputation of the company by the views of disappointed users.
- 2. Coarse language of users.

The general problem is insulting and derogatory terms, which exist, due to the anonymity of forums. Firstly, the company should write ethical and moral code of discussion forum and aware debaters that inappropriate expressions will be deleted. This phenomenon of insulting expressions may be partly prevented by robot written in programmer's language. This robot will search in html code of web pages and compare words or phrases with your own text database. When the match with black list of prohibited expressions will be found, words or phrases will be deleted automatically.

Furthermore I recommend to active participation of other users and evaluate views in discussion both negatively and positively. Visitor then can have option of filtering these really valuable views. In top of every discussion there should be found two posts from opposite ends spectrum of views: The most critical review and the most favourable review. Another point is the danger of losing control over the reputation of the company. First, I must say that I understand this objection to the discussion forum, but I disagree with her. According to global survey, one satisfied customer will tell about his positive experience another 5 friends whereas one disappointed customer will tell about his negative experience another 20 people. I cannot wonder that these numbers are very convincible for denying to have own discussion forum. On the other hand, according to independent servers, only less than 1,6 percent of customers were dissatisfied with shopping on Patro Group. I think company needs to realize how freely and quickly are shared information on the Internet. Company NWT a.s. has honest approach to customers and therefore should not fear loss of reputation.

5.2.5 Personalized services

Personalized services like greeting cards for purchased product, wrapping paper and gift vouchers has historically relatively small margin on purchase, but also contribute to relationship with customers.

5.3 Online Ads

There are some details which could be used for customer satisfaction and profit of the company. Some final steps of personalization could be placed also in online ads.

Customers surely appreciate that they don't have to wait as long as banner will be loaded, but the content of banner should correspond to their behaviour. Their typing in search box should be monitored for targeting of his real needs and banners would have to adapt to this.

6 CONCLUSION

Bachelor thesis was primary focused on marketing mix analysis of e-shops Patro Group whose major e-shop is www.patro.cz. Goal was to establish a concrete solution to improve the current state of web e-shops Patro Group.

Patro Group is engaged in providing comprehensive services in consumer products. Great emphasis is placed on the quality of services provided. This is evidenced by the fact that eshopwww.patro.cz was rated with "Trusted Customer" by independent comparator www.heureka.cz and also certified by the SOS - Association for Consumer Protection.

Based on the analysis of business environment and survey of the potential customers were these recommendations proposed: Personalization of web interface, creation of reviews and valuable newsletters for customer satisfaction.

To support the sales are used price tools, such as the action discounts and virtual currency - Patronky. Therefore were proposed volume discounts and additional services that expand the utility value for the customer and increase the profits of the company.

Based on the criteria were discovered that the company is for the consumer market a fair partner who can satisfy the wishes and needs of their customers. The advantage is the company's range of services and well organizational structure, which ensures smooth and efficient running of contracts.

The company should focus more on brand awareness NWT a.s., especially shop www.patro.cz should be better able to present on public.

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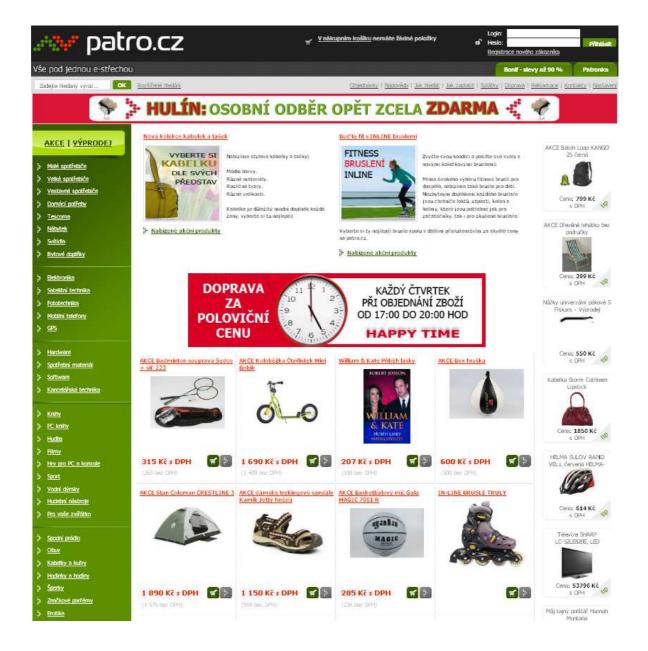
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11 APPENDICES

- P I Main page of e-shop www.patro.cz
- P II Gift voucher
- P III Newsletter of www.patro.cz (March 2011)
- P IV Answer sheet for potential customers (English language)

APPENDIX P I: MAIN PAGE OF E-SHOP WWW.PATRO.CZ



APPENDIX P II: GIFT VOUCHER



APPENDIX P IV: NEWSLETTER OF WWW.PATRO.CZ (MARCH 2011)





APPENDIX P IV: ANSWER SHEET FOR POTENTIAL CUSTOMERS (ENGLISH LANGUAGE)

Do you prefer buying goods in a physical store or online?
Why yes?
Why not?

If you prefer online shopping, how long do you approximately wait for delivery?

- Next business day.
- 2-3 days.
- One week.
- More than one week.

How do you pick up your merchandise?

- Post office.
- Shipping company (DHL, PPL, etc.).
- Personally at the branch.

How do you pay for your merchandise?

- Cash on delivery.
- Pay in the store.
- Electronic fund transfer.
- Other way.

How often do you shopping on the Internet?

- Twice a month.
- Once a month.
- Several times per year.
- One time in the past.

What are you looking for in the selection of relevant e-shop? (More answers are tolerated)

- User-friendliness.
- Prices.
- Trust mark.
- Discounts.

• Possibility of registration.
• Other
Do you have a favorite e-shop?
If so, why?
Do you browse through mail catalog from eshops?
Do you use the opportunity of comparing servers (heureka.cz, srovname.cz, zbozi.cz)?
Do you know what does it mean the company SOS in the marketplace?
How old are you?

Thank you for your willingness to share your ideas and views.