A Marketing Strategies Analysis of the Skype: Skype as a New Mobile Operator

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Zásady pro vypracování:

Definujte metody práce a stanovte její cíle.
Představte a popište aplikaci Skype.
Charakterizujte marketingové strategie společnosti Skype.
Porovnejte výhody a nevýhody mobilních operátorů a aplikace Skype.
Formulujte závěry práce a okomentujte budoucí vývoj aplikace Skype.

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ABSTRAKT

Hlavním cílem této bakalářské práce je identifikovat a následně analyzovat marketingové strategie společnosti Skype Technologies a jejich konkurentů. Tato práce je rozdělena na část teoretickou a praktickou. V teoretické části je definován marketing jako takový, ale také pojmy jako marketingový mix či marketingová strategie. Praktická část poté identifikuje jednotlivé marketingové strategie společnosti Skype Technologies se strategiemi používanými konkurenty Viber Media, AT&T Inc. a aplikací FaceTime od společnosti Apple. Závěr bakalářské práce je věnován návrhům možného budoucího vývoje marketingových strategií společnosti Skype.

Klíčová slova: Skype, Microsoft, marketing, marketingová strategie, marketingový mix, Viber, FaceTime, AT&T

ABSTRACT

The primary objective of this thesis is to identify and analyze the marketing strategies of the Skype Technologies and its competitors. The thesis is divided into theoretical and practical part. In the theoretical part, marketing field as well as marketing terms, e.g. marketing mix or marketing strategy are defined. The practical part identifies the particular marketing strategies of the Skype Technologies and compares them with strategies used by the following competitors Viber Media, AT&T Inc. and FaceTime application designed by Apple Company. The final part is devoted to the suggestions for possible future development of the marketing strategies used by Skype.

Keywords: Skype, Microsoft, marketing, marketing strategy, marketing mix, Viber, FaceTime, AT&T

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CONTENTS

INTRODUCTION

Over the past few years, communication through the Internet has become an integral part of our lives. Landlines are used seldom and telecom operators are losing users because VoIP applications offer cheaper rates without any binding contracts. The biggest operators urge for more regulations for the companies specialized in providing customers with the Voice over the Internet Protocol communication. Such a service usually allows people to make a free call to anyone using the same application, or to call any phone number all over the world for a minimal rate which differs from country to country. However, these companies are still partly dependent on telecom operators, more precisely on their mobile network.

When it comes to a pioneer of the communication over the Internet, there is no doubt that it must be Skype Technologies with its application carrying the same name. During the time of its existence, Skype has become incredibly popular and reached more users than any other telecom operator has ever desired. Not only the application might be downloaded for free by anyone with the Internet access, the company has also supported global success of its product by making the service available in 38 languages, including Czech. Despite of the convenient market position, millions of loyal customers and extremely strong brand recognition, Skype is forced to look over shoulder to keep sufficient distance from its strengthening competion. As Kotler (2012, under "Designing the Marketing Mix") proposes, "Having competitive advantage is like having a gun in a knife fight" and one of the mightiest competitive advantages used to beat competion may be a perfectly developed marketing strategy.

The main objective of this bachelor thesis is therefore to analyze the marketing strategies of Skype, to find strengths and weaknesses of the company's business and to decide whether the company is ready to enter a market of regular telecom operators or not. Thus, the comparison of Skype with companies offering similar or same service is also a part of this thesis. In order to demonstrate and compare different marketing approaches, Viber Media, FaceTime designed by Apple Company, and AT&T Inc. have been chosen. The whole thesis is divided into the theoretical and the practical part. The theoretical part of the thesis briefly describes a field of marketing, marketing philosophies that particular organizations may follow, and also stresses the necessity of a good marketing strategy. In addition, terms such as marketing mix and competitor's profile are explained in detail as well. As for the practical part, Skype and its competitors named above are introduced from the point of their development, marketing strategies, and lastly, the comparison with Skype

is presented. Not only companies as such are introduced in the practical part, the way that a product of each company works is described as well. Last part of this thesis consists of suggestions for possible future development of Skype Technologies.

I. THEORY

1 WHAT IS MARKETING

According to Kotler (2012), marketing is "the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit". He believes that marketing's main goal is to identify desired needs, find a market that would bring the best profit, and eventually design and promote the particular product and service. In other words, marketing is a link between a company's capabilities and customers wishes in a way which would bring satisfaction to both sides. McDonald and Wilson (2012, 19) explain five key processes that a company needs to fulfill in order to be successful. These processes include opportunity identification, development of a brand new product, customer attraction, customer loyalty building, and order fulfillment.

Marketing is no longer just about creating a good advertisement and selling products. In today's world, it is a matter of strengthening a firm's brand-name by providing people with high quality products and closely related services. This might be a free delivery service, additional warranty, customer service, etc. Another example of good marketing is "*sampling*". For example, there is a new bakery in a town that nobody knows about. Many people find it annoying to find leaflets in their letter box every single day. Instead of distributing informative leaflets via letter boxes, which is often perceived as annoying, sampling is a more effective promotional strategy. Thus, visiting some public event and handing out free samples would be a much more pleasant way of letting people know about the newly opened bakery.

All in all, Alanis Business Academy (2013) notes that marketing may be everything involved in creating, communicating and developing value to customers. Marketing starts with marketing research conducted in order to determine what product a respective market is looking for, informing customers about newly designed product, and finally, persuading them to make a purchase. It also plays a significant role in deciding what the product and packaging should look like, where and by whom should be the product sold, and setting an appropriate price that would attract potential customers.

1.1 Marketing Philosophies

The art of marketing is very powerful but it has to be elaborated properly. Sometimes, marketing may do more harm than good, and hence, there must be a particular approach to follow. Many organizations might vary in approaches by which the given objectives are achieved. These approaches are called "*Marketing Philosophies*" and influence an

organization's future activities. They represent a concept which does not influence only marketing departments, but organizations as a whole. It can be said that the chosen philosophy is like a "company's bible" because it directly affects all intended actions. By deciding a particular philosophy can be defined a way in which our business is going to proceed. From determining a suitable material, distributional channel, and promotion campaign to hiring employees who possess a required set of skills. Masterson and Pickton (2014, under "Strategic Orientation") define five basic philosophies: Production orientation, Product orientation, Sales orientation, Market orientation, and Societal marketing orientation.

1.1.1 Production Orientation

As Masterson and Pickton (2014, under "Strategic Orientation") explain, the organizations following this philosophy put factories first. Their aim is to produce products as quickly as possible and at the lowest possible price. Such a company does not really look at customers' needs, but it tries to provide them with a limited product choice. One of the most popular examples of production orientation is the model T by Ford car. Henry Ford is believed to have said: "They can have any color they like, so long as it's black" (Masterson and Pickton 2014, under "Strategic Orientation").

1.1.2 Product Orientation

The quality of a product is important for product oriented companies. They put a great emphasis on development, new technology, staff training, etc. (Masterson and Pickton 2014, under "Strategic Orientation"). While production oriented firms would desire to produce as many cellular phones as possible, product-oriented firms will do their best to provide their customers with a top quality product that would beat competitors, attract new customers and keep current ones loyal.

1.1.3 Sales Orientation

Sales-driven organizations tend to believe that an aggressive selling attitude ensures higher profits. Similarly to production-oriented companies, these firms are not very concerned with market's demand and thus, it is usual that their products do not bring great profit (Lamb, Hair, and McDaniel 2013, 5). The typical method of promotion is sales promotion, including special offers such as "buy one get one free", coupons, competitions, etc. This

philosophy is quite out-of-date and it may also jeopardize customers' loyalty to the particular company (Masterson and Pickton 2014, under "Strategic Orientation").

1.1.4 Market Orientation

An organization trying to satisfy its market is required to do a study revealing those products or services that its customers long for. Smaller companies may gather information through personal interviews with their customers whereas larger firms have to find more cost-effective ways such as customer surveys, websites, customer service desks etc. (Masterson and Pickton 2014, under "Strategic Orientation"). However, it is also necessary to identify competition's intentions in order to design and eventually offer a unique product that is different from a competitors' one, and has some special features typical for their own products. As Lamb, Hair, and McDaniel (2013, 5-6) state, the firm following the market orientation concept believes that the only way to fulfill their objectives is by meeting customers' needs.

1.1.5 Societal Marketing Orientation

Societal marketing-oriented organizations are driven by the idea that not only corporation objectives and customers needs are important. According to Masterson and Pickton (2014, under "Strategic Orientation"), such organizations are concerned with the fact that there may be a third party and that is society. Being fully aware of the fact that some products may have a destructive impact on our environment, either by using or producing them (cars, cigarettes, paper, soaps etc.), they try to preserve and protect society's interests as well. Nowadays, being eco-friendly is very popular and many companies start making their packages from recycled materials. Moreover, they build marketing on the fact that, unlike their competitors, they fight against harming mother earth.

1.2 Marketing Strategies

While market share, market price, profit, and being increasingly recognized are marketing objectives, a marketing strategy serves as a clear guideline in achieving them. The marketing strategy describes corporate resources available to help with achieving company's goals, time schedule etc. It is a kind of company's "logic" that a manager decided to follow and he believes that it can lead to fulfillment of all established goals. Furthermore, setting a strategy is a very important step that should be compiled as a result

of long-term marketing research. There are 3 main stages that a marketing strategy should be based on: market segmentation, target marketing, and market positioning.

It is necessary to understand the terminology and to comprehend the difference between a marketing strategy and marketing tactics. First of all, it is important to realize that tactics are subordinate to strategy. Tactical planning is usually short-term and covers activities that will be conducted within a year or less. On the contrary, strategic marketing should outline a firm's steps in the horizon of three to five years. While tactics are taken to accomplish a particular strategy, a marketing strategy serves as a clear guideline to achieving given objectives. Furthermore, setting a strategy in advance helps to identify important helpful facts such as target market identification, its segmentation, brand positioning, elements of marketing mix, and expenses (McDonald and Keegan 2002, 19-21).

1.2.1 Market Segmentation

A market is made of customers with a big variety of needs and wants. A goal of market segmentation is to develop a target market represented by a group of people who are expected to purchase particular product. It is a process that divides a market into smaller groups of customers, according to specific features such as a group of people with the same hobbies, place of living, people of same age or with approximately the same salary. Thanks to the segmentation into smaller groups, a company may more effectively satisfy those groups of people that it is aimed at. Kotler (2007, 458-473) stated 5 basic criteria when conducting market segmentation. The first type is called Geographic segmentation and it divides people according to the nation, state or region that they live in. Then, Kotler defines segmentation based on the age, gender or occupation which is called Demographic segmentation. A study of relationship between geographic location and demographic features is called Geodemography. Psychographic segmentation is a division of people sharing the same lifestyle or same social class. Finally, a customer's knowledge, approach or feedbacks regarding a product relate to Behavioral factors. Many managers agreed that behavioral factors are optimal for market segmentation; however, they do not usually focus simply on one group.

Each market segmentations should be based on information gathered about the particular market. That is why undertaking a marketing study should be a part of each marketing strategy. Such research helps to gather enough information required to estimate

the potential of a given strategy and enables a forecasting possible opportunities and threats.

1.2.2 Target Marketing

After dividing the market into groups with characteristic features, it is a company's decision to choose a desirable segment to enter. Kotler (2007, 483-484) explains that target marketing may be seen as a kind of overall evaluation of segmentation. Based on information gathered during a marketing research; a firm chooses the segment considered as the most profitable. When looking for a suitable segment, companies usually take into account segment attractiveness and their own possibilities.

When it comes to the segment attractiveness, there are many ways for a segment to be perceived as attractive. Some companies may prefer a big segment that is expected to bring quick profit. On the contrary, smaller organizations concerned with a great deal of competitors would rather choose a smaller segment that is easier to cover. It primarily depends on company's resources, capabilities, and willingness to fight with competitors for a market share (Kotler 2007, 484).

As far as the strong points of the company are concerned, Kotler (2007, 484-485) believes that regardless of the preferable size of a segment, a company should consider its own abilities to "conquer" a segment, and decide whether it matches their long-term goals or not. Also, organizations should avoid aiming their attention at the most vulnerable segment such as children, pensioners or disabled people. Not only is it immoral, but it is not a good strategy for a long-term business either.

1.2.3 Market Positioning

Kotler (2007, 506-512) argues that even if a company has chosen its target market, there still is a need to catch customers' attention. Companies usually compete to become a market leader because that is exactly what people tend to bear in mind. For instance, almost everybody knows the application Skype designed by Skype Technologies (hereinafter referred to as "Skype") as a leader in the market providing people with a video chat and voice calls from a computer, tablet, and mobile devices. However, not many people know about the Viber, Google Hangouts or Voxos, offering similar options of communication. One reason is that Skype was first in the market, but it has also created an image of handy and free application which attracts people all over the world.

The market positioning may be done through company endorsement with a well-known actor or sportsman such as Lionel Messi as a face of Adidas, or Ashton Kutcher presenting new products designed by Lenovo Group Ltd (hereinafter referred to as "Lenovo"). Nevertheless, supporting activities are also a good way of sustaining market position and companies are fully aware of that. For example an Austrian company Red Bull producing energetic drinks has chosen young people as their target market. Consequently, they rely on sponsoring young sportsmen that are believed to be known by teenagers.

In conclusion, the positioning is an integral part in nowadays marketing, and hence it is worth elaborating a top positioning strategy. It does not really matter which strategy the company chooses, whether they go in the track of Lenovo with some movie star, or they choose a humble way of promotion such as Skype. What matters is that people realize the fact, that there is a new company in the market, offering products they look for.

2   MARKETING MIX

According to Urbánek (2010, 37-38), an American scientist James W. Cullition was the first person who mentioned the so called "mix of single ingredients" in connection with marketing at the end of nineteen fifties. However, the term "Marketing mix" was first used by Jerry McCarthy in 1960. He described a first element of marketing mix and put the term distribution as a subset for a place, meaning a place where sale was done.

William J. Stanton described Marketing mix as "the term used to describe the combination of the four inputs which constitute the core of a company's marketing system – the product, the price structure, the promotional activities and the distribution system" (Jain 2009, 77). In other words, Marketing mix or just 4Ps may be seen as a subset of four elements (product, price, place, and promotion) that forms corporate marketing activities. Urbánek (2010, 35-41) explains that the 4Ps is sometimes criticized because it seems more oriented towards sellers rather than buyers. Thus the 4Cs were introduced as an equivalent of the 4Ps but from the buyer's point of view. Each element of the 4Cs corresponds to one element of the 4Ps. Product refers to customer, price to cost, place to convenience and finally promotion to communication. However, by the time a popularity of service products and importance of the services elements of physical products have increased so much that Bernard Booms and Mary Jo Bitner introduced a model of 7Ps which add three more elements. The first one is the Physical evidence which describes a tangible component related to a service (bus ticket). The way by a service is provided is the Process. Lastly, the element connected with delivery, supply chain, etc. is called People (Masterson and Pickton 2014, under "Introducing the Marketing Mix").

When expertly developed, marketing mix may serve as a perfect guideline to achieving corporate goals. It is important to realize what a company will offer to its customers, and whether they will produce a tangible product or intangible service. Managers must consider own financial possibilities, count expenses connected with production and based on that, they can finally develop an appropriate price that would cover all expenses and also make a profit. In addition, the product must be placed appropriately, so that it is available and reachable for identified target customers. And finally, the product must have promotion that would inform customers about its unique features, and make them feel like they really need to have it.

2.1 Product

The product, or offering, is basic outputs of any company. A firm's goal is to design such a unique product or offering that would be easily distinguished from the one made by competitors. Moreover, it must carry a specific rate of satisfaction that the target market is willing to pay for (Kotler 2012, under "Designing the Marketing Mix"). Product may be understood as a tangible (window, automobile, mobile phone, etc.) or an intangible service (cleaning service, network administrator, banking service, etc.). Services are unique because they do not result in ownership of anyone. Urbánek (2010, 52-56) even compares the product to a "heart of the marketing mix" because of its influence on other elements of the marketing mix. Only after introduction of a final product can marketers start implementing the particular strategy for promotion, price and distribution.

Some firms possess an ability to make buyers feel that they urgently need their product, even though they offer absolutely useless and expensive commodities such as jewelry, luxury cars or an extravagant dress. Armstrong and Kotler (2015, 233-244) distinguish four types of consumer products based on the way customers decide to buy them:

- **Convenience product** – consumers buy it frequently with minimal comparison and effort (toothpaste, magazine);
- **Shopping product** – buyers spend more time and effort on gathering information and comparing it with other products (furniture, clothing);
- **Specialty product** – these are products and services which have special value to buyers and they do not spend time by comparing them with similar products. They are willing to pay higher price because they believe in its quality (Rolex watches, Apple products);
- **Unsought product** – products that a consumer does not buy normally or even does not know about them (life insurance, Red Cross blood donations).

Nowadays, companies desire to create a kind of experience that would be connected with their product or service and that make customers remember pleasant moments with their product. Howard Schultz, founder of Starbucks Corporation, intended to offer his clients not only delicious coffee but also place to relax and slow down. His aim was to create an environment accompanied with friendly service, aroma of fresh ground coffee, chill-out music and that all in old-fashioned European style (Armstrong and Kotler 2015, 231).

BMW outlined their opinion on providing people with the experience in advertisements as "We realized a long time ago that what you make people feel is just as important as what you make" (Armstrong and Kotler 2015, 230-232). In these days, parents take their children to huge shopping malls without any intention to buy something. Shopping is perceived as a social event similarly to a trip to a circus or zoo. For this reason, my opinion is that Starbucks Corporation introduced a perfect example of an approach that successful organizations should follow in order to penetrate a market and strengthen a brand-name of the company.

2.2 Price

Every product or service has its own value. A price is the element of marketing mix that is used to measure and express the value of a product. Technically, business may charge whatever price it wants, yet that does not mean that customers have to pay that price. Usually, it is the price that influences customers and makes them buy a product. It is very common that price is set unreasonably high. Sometimes, despite the fact that the customer really needs the product, a high price discourages him. On the other hand, setting a low price may discourage buyers from purchasing as well. For example, if a producer of luxury jewelry set price surprisingly low, customers would take it as a sign of lower quality and refuse to make a purchase. In other words, setting a price is a very complicated and responsible process, managers should take into account all possible ways of customers' thinking and set the price so that customers are willing to pay for it and come back next time.

Unlike the other elements of marketing mix, the price can be changed very quickly. Companies frequently use it to react to the offensive behavior of competitors. Generally, by setting a lower price, companies try to attract new customers and prevent the loss of current ones. Such an approach is called "penetration pricing" and it means setting a low price at the beginning in order to penetrate various market segments. On the contrary, companies may use a strategy called "price skimming" which is popular in technological markets. Price skimming means setting a high price for product or service at first, and then decreases it.

Jain notes (2009, 279-282), that the final price consists of an original price, selling cost and profit margin. The original price corresponds to the price of used material, labor expenses and other expenses connected with its production. Selling cost refers to the

service expenses (warranty, free repair services, free home delivery, etc.), expenses used on promotion (billboards, show bills, advertising vans, etc.), and administration expenses. Finally, every entrepreneur does his business primarily for profit and that is why a certain percentage of a profit margin is part of the price of the product.

2.3 Place

Once a product is ready to reach a consumer, there is a need to determine a good place within a purchasing distance to deliver a product. The part of marketing mix dealing with making goods accessible to consumers is called distribution. However, some books tend to use the term distributional channel, meaning not only a way from a factory to a final consumer, but it may also include banks, insurance companies, warehouses, etc.

Jain (2009, 322) believes that the main goal of distribution channel is matching the supply and demand of every single segment. The process of matching is executed by the distribution channel performing various functions such as contracting sorting, stimulating demand, maintaining inventory and transmitting marketing information. In marketing, there are two types of distributional channels; direct and indirect.

2.3.1   Direct Distributional Channel

A distributional channel when a producer directly sells goods to the consumer is called a *direct distributional channel*. Urbánek (2010, 88) suggested farmers who sell their goods at markets as a very common example for this type of distribution. To directly connect to the customers, some producers may also use an assisted marketing system such as eBay or Etsy.

2.3.2   Indirect Distributional Channel

A second way to distribute goods is by using an *indirect distributional channel*. Unlike direct distributional channels, this alternate according to Jain (2009, 331) includes more members than just the producer and the final consumer. To get to the final consumer, goods go through wholesalers, selling agents, industrial distributors, etc. A nice example provided by Urbánek (2010, 88) may be the import of coffee. Firstly, coffee is transported in the form of coffee beans. Then it needs to be roasted, minced, mixed and finally packed. Only at that time, coffee might be offered to retailers or directly to a consumer.

2.4 Promotion

According to Young and Pagoso (2008, 263-264), it is crucial to realize that the customer is a flesh-and-blood human being with feelings, emotions and prejudices. To attract as many customers as possible, it is necessary to strike their emotions and feelings. That is why marketing mix contains promotion. Nowadays, people tend to use the term *marketing communication* because all marketers use promotions to communicate with final consumers and learn about their needs and preferences. The promotion mix is composed of four components:

- **Advertising** – it is a way of impersonal one-way communication made through different media (billboards, radio, TV, etc.);
- **Personal selling** – unlike advertising, personal selling is a face-to-face type of promotion aimed at industrial goods rather than consumer goods;
- **Sales promotion** – usually, sales promotion is short-run and is aimed at the end consumer (free samples, coupons, contests);
- **Public relations** – its goal is to raise publicity and create a good image of a product, service, and business as a whole. Some organizations may also use public relations firms to promote their positive publicity (Franchise Classroom 2015).

"Having a business without an advertisement is like winking at girl in the dark. You know what you are doing but nobody else does" (Young and Pagoso 2008, 263-264). It is hard to imagine a successful and profitable enterprise, selling its goods or services without a well-considered advertisement. Advertisements can be seen everywhere. According to Johnson (2006), an average person living in a city is exposed daily to about 5000 advertisements. Sometimes, advertising is done without consumers even noticing it.

The role of advertising is to inform the public about a new product, persuade customers about its quality by emphasizing its unique features and assure the target market about the fact that a company's product is better than the one offered by competitors. After realizing all these facts, a promotion is no longer an underestimated element of marketing. It has become a trend of bigger companies to establish their own marketing departments or outsource firms that specialize in promoting products or services.

3 COMPETITOR'S PROFILE

Business Dictionary defines competition as a rivalry between two or more companies, whose aim is obtaining higher profit, sales and market share than their closest competitors. All of these conditions may come true only by finding and offering most efficient combination of price, quality, and service to a target market. The most successful companies are at the top because they permanently keep an eye on their competitors. Through undertaking some research, it is easier to obtain all information needed to predict competitor's future behavior and eventually react on it. It is thus essential that a business is aware of who their competitors are, what strategies they are using, and what makes them better in comparison with competitors.

Without a competition, there would be no functional market. There would be only one monopoly covering an entire market with its products and services, setting its own prices, and keeping same quality without any effort to improve. Fortunately, almost each market includes more competing companies that force each other to set a reasonable price, keep working on improving their products and services, and deliver as high satisfaction as possible to their loyal customers.

3.1 The Generic (Competitive) Strategies

Each company needs to create a strategy that would help to achieve and sustain a competitive advantage. A corporate strategy should be based on firm's internal and external factors (Urbánek 2010, 163-166). A well-prepared competitive strategy may attract new customers, withstanding competitive environment and may even help to improve a market share. In 1980, an American professor Michael E. Porter introduced his concept of three generic strategies. These three approaches are low-cost leadership, niche, and differentiation.

3.1.1 Low-Cost Leadership

Being a low-cost leadership means for Urbánek (2010, 163-165) offering cheaper services and products than competitors in a given industry. In order to produce cheaper output, a company needs to lower its expenses. Thus, reasonable saving energy, reliable supply chain or cheap resources might be good ways to become cost-effective. By reducing expenses, companies receive higher profits which allows them to set lower prices for offered products and finally to increase their market share. An example of low-cost leadership is an Irish

airline Ryanair providing its customers with the cheapest flight tickets. The airline is so cheap because it does not provide any special service and most of services are charged. For example, there is not any allocated seat, and if anybody wants it, it is charged again. However, people who travel a short distance and do not require luxury sitting will still go for Ryanair.

3.1.2 Niche

Shortly, companies following the niche approach are aimed on a specific segment of market and by customizing a unique product, they try to deliver higher satisfaction to their customers and primarily, meet customers' needs better than competitors. For instance, an airliner Concorde which used to be used by British Airways and Air France specialized primarily on wealthy customers who were looking for a luxury service (Flouris and Oswald 2012, 20-33). What made Concorde so special was its speed. It was a first supersonic passenger carrying airplane reaching more than twice speed of sound. Unlike a Boeing 747 whose flight from New York to London would take seven hours, Concorde was able to make it in less than three hours and 30 minutes. Furthermore, the fact that Concorde was capable of reaching an altitude more than 11 miles, there was a minimal chance of experiencing any turbulence (O'Ceallaigh 2013). As a result, flight tickets belonged among the most expensive ones and only richer people could afford the luxury of flying by Concorde.

3.1.3 Differentiation

According to Flouris and Oswald (2012, 20-36), differentiation is an approach, based on manufacturing a product or service that is in some way different from the one offered by competitors. However, designing a different product with different features is not enough. Such a product must be not only different but mainly, it must be better in some way that customers would be willing to pay for. An example may be Singapore Airlines differing from its competitors by the fact that they do not offer any domestic flights but only international ones.

3.2 .Competitive Advantage

The competitive advantage is the particular element of business that helps a company to outperform its competitors. Usually, an entire marketing strategy is built on the particular competitive strategy which helps to provide customers with higher utility value than other

competing firms. The higher utility value means the higher probability of customers' satisfaction. Such utility value provided by a company may appear in many forms. In order to attract as many customers as possible, the utility value through lowering prices for identical or similar products offered by competitors is a good strategy, as well as providing customers with extra services such as extension of warranty etc. (Urbánek 2010, 168-170).

Not necessarily only lower price or better customer service mean a competitive advantage over other competitors. Some companies prefer investing in new technologies, but they do not realize that operating hi-tech machinery requires more skilled employees and that leads in higher expenses on salaries. Moreover, many new machines or computer systems are in foreign language so an employee may have to attend a language course, paid by his employer. Many of them also require some certificate or license so that employees have to pass a course in order to be competent for working on them. Such courses are usually paid by the employer as well.

Other examples of a competitive advantage might be a reliable supply chain, high-tech technologies or just an efficient location of corporate plants can contribute to gaining a valuable advantage. Pfeffer (1995, 7-9) believes that one of the best competitive advantages is an advantage through people which might be represented by for example a hard-working, qualified manager who possesses an ability to motivate employees. To sum it up, all of these realities might be key factors in the effort of gaining a bigger market share.

II.   ANALYSIS

4   PRESENTATION OF THE SKYPE APPLICATION

"Skype is simple to use. It lets you reach out across continents, borders, countries, and time zones to make crystal-clear voice calls, send instant messages, transfer digital files, and make video calls almost anywhere in the world for free."

(Max and Ray 2006, under "What is Skype?")

4.1 History of the Application

Since its launch in August 2003, Skype has reached 300 million users all around the world. Thanks to the fact that many people tend to work remotely, Skype has over 4.9 million active users daily (Digital Marketing Ramblings 2015). Not many people know about it, but there were quite difficulties with naming the application. Originally, Skype's name was intended to be Sky Peer-To-Peer. Not only was it quite long and difficult to remember, but it was not really fashionable either. Later, developers invented a name Skyper but that was already taken by the Internet domain and thus, after shortening it to Skype, a final version of its name was born (Price 2011).

Skype itself was founded in 2003 by a Swede software writer Nicklas Zennström and Dane Janus Friiswhose in cooperation with Estonian group including Ahti Heinla, Priit Kasesalu, and Jaan Tallinn. However, Skype was not their first project. Their first big business was P2P (peer-to-peer) file sharing service called Kazaa associated primarily with exchanging music, applications, or movies over the Internet. As for the meaning of P2P, it is an abbreviation describing a kind of computer network which allows direct communication between peers. Despite its enormous popularity, they decided to design an application working on the same concept as Kazza that would enable video and voice communication between two computers. Thus Skype was created (Mitchell 2011). But only two years later, in 2005 was Skype sold to eBay for 2.6 billion dollars. At that time, Microsoft obtained a Skype's competitor Teleo and made it part of its MSN (Microsoft Network) group. Teleo was the P2P Voice over Internet Protocol (VoIP) network that enabled its users to speak with other Teleo users and even hear them for free (Price 2011).

In 2006, Skype introduced its new function Video calling; sometimes called *"videotelephony"* that allows communication between geographically distributed users with a low delay (Xu, Yu. et al. 2013). Although the idea to use Skype as a tool for eBay auction communication between sellers and buyers was precise, Skype's integration into its auction

business was not successful. After 4 years of losing money with loss around 936 million dollars, in 2009 eBay decided to sell 70 percent of Skype to a group of private investors for build 2.75 billion dollars. By the end of 2010, Skype had 633 million users outperforming for example Facebook with 600 million users or Verizon with only 104 million users.

In spite of the rumors about Skype joining Google for 4 billion dollars, in 2011 it was Microsoft who acquired Skype for 8.5 billion dollars. Although the price was ten times higher that Skype's real revenue in 2010, the business was done and Skype became a part of Microsoft. Immediately, Microsoft started with the integration of Skype into Windows phones, Xbox Live for use with Kinect, and Office for business conferencing (Price 2011). By the end of the 2014, Microsoft introduced its revolutionary breakthrough. A brand new project focusing on a development of real-time language conversation translation tool called Skype Translator. It was designed in order to break down barriers for people who do not speak foreign languages, yet they desire to communicate with people all around the world (Nicolson 2014).

4.2 How It Works

Since 1876 when Alexander Graham Bell obtained a patent for his new invention telephone, a field of telecommunication has evolved beyond recognition. Nowadays, people do not need any huge apparatus with many wires transmitting a voice. Not many households still keep their landline. In order to communicate with their relatives and friends, families tend to use mobile phones or VoIP application on laptops instead. Not only is it more comfortable and stylish, usually it is also cheaper.

Skype offers a simple and cheap way of communication all around the world. One mighty application enables its users to transfer files, send messages, and make video calls, and that all free of charge. And yet, using Skype is so easy. There are only five easy steps to start using Skype:

- Download Skype from its official website;
- Install it;
- Register to create a Skype account;
- Plug in a headset if needed (most of laptops have built-in microphone and speakers);
- Start using Skype.

Skype works with almost every device that can be connected to the Internet such as desktop computers, laptops, personal digital assistants (PDAs), Xbox One, cellular phones that support Wi-Fi connection, and even some TVs and Blu-ray devices. In spite of the fact that Skype belongs to Microsoft, Skype is not available only for Windows but also for other operating systems including Linux, Android, iOS, Windows Phone 8 and 8.1, etc. (Max and Ray 2006, under "What is Skype?"). On mobile devices and tablets, Skype works as any other regular application. There is no difference in using Skype and regular application on desktop computers or laptops as well. Everything is done the way, so that it is simple to use and user-friendly.

5   MARKETING STRATEGY ANALYSIS OF THE SKYPE COMPANY

This chapter deals with marketing strategies which Skype uses to defend its position number one on market offering video chat and voice calls. Although Skype has already been number one for many people, its marketing department has never become complacent and keeps developing new marketing strategies. According to Worstall (2014) "Skype's traffic was almost 40 percent the size of the entire conventional international telecom market — that is, for every ten minutes spent making international phone calls on every mobile and landline network in the entire world, four minutes are spent on Skype." It looks like people in Skype are doing really good job. However, as for mobile messenger applications used in the United States, Skype's decline to 16.4 from 17.9 million users by the end of September 2014 signifies that competition is strong. For example, Facebook Messenger reached more than a treble of Skype's audience (Statista 2015).

Personally, I would not say that Skype uses marketing strategies such as target marketing or positioning. Of course, it collaborates with famous people (see the chapter about Partnership) but not to the same extent as Lenovo Group Limited where the face of Ashton Kutcher is directly associated with Chinese computer technology company. As for target market, Skype does not concentrate on one single target group. Certainly, the company primarily tries to reach customers who own a computer, tablet, or smart phone, on which the application can be used. Consequently, Skype's target group is very wide because honestly, many people living in developed countries own at least one of it. This idea has been proved by data provided by Microsoft Advertising (2012) which expresses that by the end of 2011; more than 90 percent of young adults owned a computer. It also notes that in February 2012, more than 67 percent of young adults possessed at least one smart phone. Lastly, data provided by Microsoft Advertising propose that by the end of 2012, young adults, 35 years old and less, constituted to 54 percent of total 40 million Skype users.

To sum up, Skype's general idea is to offer both a video and voice connection for people whose relatives are in a remote location. As far as the Skype's marketing strategies are concerned, it does not really follow one particular strategy which would influence its entire existence. Maybe, as one of the long-term strategies might be perceived the effort to make using the application as easy as possible even for our mothers or as Clements (2013)

called it: Skype makes it easy for mom. Yet, after careful research I have chosen following marketing strategies: Partnerships and Storytelling.

5.1 Partnerships

After becoming a part of Microsoft Corporation, Skype's popularity started to escalate, attracting more and more new users. Since Skype wanted more, it introduced a new marketing strategy through entertainment positioning. Basically, the intention was to establish partnerships with leadership conferences, action sport events, films and even fashion shows in order to bring fans closer to their favorite celebrities (IEGSR 2014).

One of the most interesting Skype's partnerships is the one with The You Generation contest broadcasted by You Tube channel and created by an English music and television producer Simon Cowell. Cowell (2014) claims that The You Generation is the world's biggest audition looking for talented people in all areas from singing, dancing to cookery or magic. He also added that Skype is a valuable partner of this contest and he recommended using Skype to all competitors as a tool to improve their skill with each other. He also prompted all contestants to use Skype video calls with friends, pretending them to be judges and giving valuable feedback and live advice. Moreover, such a practice via live calls is a perfect way to manage stage fright.

Talent show is not the only way of Skype's marketing positioning strategy. The whole concept of Skype's partnership strategy, or more precisely endorsement, is aimed primarily at younger users, those of 14 to 34 age range. These are customers who are devoted to sports, musical festivals and concerts, films and other activities that people want to talk about. Skype enables them to hold a conversation online. Another example of Skype's effort to attract new users is making partnerships with famous people such as Victoria Beckham, Katy Perry, Justin Bieber, etc. People using Skype may watch live concerts broadcasted by Skype, and even participate in live interviews asking their favorite celebrities questions. In 2014, Skype organized a live group call with snowboarder Sage Kotsenburg as a part of Winter X Games sponsored by ESPN. Furthermore, Skype also helps with making TED conferences by hosting group calls featuring speakers, musicians, CEOs and generally everyone who has a deep thought worth sharing with others. Lastly, Skype has started cooperation with Marvel Studio in order to enable fans ask questions and send video messages to actors during movie premieres. As such fans can also feel the atmosphere of popular red carpet events (IEGSR 2014).

Using the partnerships to promote brand recognition and acquire bigger market share than it had already had, Skype has decided to direct target market that would be easy to pursue. Thus, the organization focuses its attention on teenagers and young adults who are influenced by Hollywood, pop music, and action sports. It is not probably the cheapest way of letting world know about company's existence, but the presence of Skype in such important event as Winter X Games, which is annually watched by around 40,000 spectators in place and many more watch it in TV or online, represents a huge step in race to defend and even strengthen Skype's market leadership.

5.2   Storytelling

After some time in the company, Elisa Steele, a chief marketing officer at Skype, realized that everybody either inside or outside the Skype has some story connected with using Skype. She knew that many people also have an interesting reason why they love Skype. However, Elisa explained that people usually use the application only for special occasions such as holidays, birthday parties etc. But it was not enough for her. She believed that Skype had a potential to be used much more often so in 2012, she introduced a new project called "Build User Love". The meaning of these words was explained in the following sense:

- **Build** – stands for building a good relationship between engineering organizations and people developing the product;
- **User** – meaning that the company does not focus on features and functions of its product, but what really matters are human emotions and primarily users;
- **Love** – Skype is fully aware of its popularity and the fact that it is a brand which is loved all over the world. And therefore people in the company believe that it is their obligation to keep this tradition alive (Aeker and Schifrin 2014, 2).

The aim was to understand users' behavior, the way they interact with Skype, what they like about it and what they do not like. Based on this set of information, the company wanted to make a strategy that would build users' love. "Unfortunately", at that time in 2012, Skype had hundreds of millions of users so interviewing them would take plenty of time. Not only personal information was important, there was also a need to gather information at a macro level, and therefore a marketing department created a so called

Storytelling strategy. Its aim was to gather good stories from people using Skype, showing how the application has changed their life. Once the marketing department had established criteria for a good story, a website called "Moment Makers" where users were expected to upload their stories along with pictures, videos, or blogs, was created (Aeker and Schifrin 2014, 3-4).

After receiving dozens of stories, people in Skype had picked the best ones and asked for permission to publish them. Those users who had agreed with a publication could find their stories in e-newsletter shared on Skype's social channels. The program Moment Makers was perceived as a valuable asset and Skype treasured it so much that they eventually decided to create a web-based Story Bank for some of best stories. Such a bank full of stories from people using Skype on daily basis serves as an invaluable marketing tool. Everyone has an access to take a look at emotional stories based on using Skype, some with happy ending, some without. In addition, with the online bank full of stories, judges who were selected to evaluate stories might have chosen 3 best ones that Skype wanted to build a campaign around. In my opinion, the most touching one was story number one:

"A Ugandan man named Denis had to flee to the United States because of war and leave his family behind, including his son. But he is able to keep in touch with them regularly through Skype" (Aeker and Schifrin 2014, 4).

In June 2013, Skype introduced three-minute short videos of those stories and the story-based campaign called "Stay Together" based on them. Each video was ended by a picture of the author of the story with the person that Skype enabled connection with. All of these videos were accessible online in order to encourage people to participate in the campaign again. In addition, to motivate people more, Skype decided to reward a person whose story will be chosen as the fourth winning story by $10,000 travel credit. It took only one month to receive over 1000 stories out of which they again picked the best ones (Aeker and Schifrin 2014, 3-5).

Unlike the previous strategy which was based on cooperation with well-known people or by taking part in popular events, storytelling is a more humble and cost effective method. Moreover, there was not any specific target market which Skype would have tried to cover through storytelling. However, there was one presumption which people taking

part in storytelling had to fulfill. Regardless the age, gender, hobbies or nationality; people included in the strategy had to have stories connected with Skype that would be willing to share with others.

6   MARKETING MIX ANALYSIS OF THE SKYPE COMPANY

In this chapter, I will describe marketing mix of not only one particular product but also few services related to it. To give an example of differences in pricing in smaller and bigger markets, I am using a comparison of prices in Czech Republic with United States as probably one of the biggest market. Euro is used as the basic currency since also the Skype's official websites uses it. Currently, one Euro equals 27.29 Czech crowns. As a competitor used to compare pricing strategies, I decided to use company called Viber Media (hereinafter referred to as "Viber") offering very similar software as Skype.

6.1   Product

Unlike the other technological giants such as Apple Inc. (hereinafter referred to as "Apple"), Google, or even a telecommunications giant Verizon Communications who offer their own tangible product, yet they specialize in providing services, Skype does not provide its customers with tangible products. However, on its website, company promotes an option to buy accessories certified by Skype which perfectly work with the application Skype. Among those accessories, we can find TV cameras, web cameras, headsets and microphones, tablets and mobiles and other gadgets which enable a customer to use Skype.

When it comes to products designed exclusively by the company, Skype's product mix includes only intangible services connected with communication over the Internet and one product. First service which is undoubtedly worth mentioning is Skype Wi-Fi. This option offers a possibility to get online at more than 2 million Wi-Fi hotspots all over the world. On the official website of the company, there is a so called "hotspot finder" which helps to find all available hotspots. It works very easily, user only needs to launch the application, and Skype Wi-Fi will automatically notify if there is any hotspot supported. Finally, by clicking connect on the device, user confirm using a hotspot and enables him/her to enjoy a fast Internet connection. As for payments, Skype Wi-Fi is paid with Skype credit for each minute used (Skype 2015).

For people who travel a lot and are usually on the move, Skype has invented a possibility to reach whoever desired without a need to have neither the Internet connection nor the application. Skype To Go allows to make international calls from mobile or landline and that all for the price of a local call. It may seem as a very complicated process, however, the only thing that a user has to do is to provide Skype with a number he wants to call. Immediately, Skype will generate a new number to call and after dialing it, the user

will get straight to the person. Skype To Go is available in many bigger countries such as the United States, Australia, the United Kingdom, etc. Unfortunately, the Czech Republic is not among countries in which Skype To Go is available (Skype 2015).

For those who loves using Skype and live abroad, Skype (2015) describes an option to get own Skype Number which may be dialed from a mobile or landline. The best thing about Skype Number is the fact that a user may select from a big variety of area codes in several countries using any device. Unfortunately, this service can be enjoyed by the users in bigger countries among which the Czech Republic is missing.

6.2 Price

One of the biggest advantages connected with using Skype is the fact that the basic functions are for free. However, it applies only to calling from one Skype account to another. When calling landlines or mobiles from Skype, there is a need to pay for it. Despite the fact that Skype is a market leader and could afford setting higher price, probably aware of the information that competition keeps strengthening, Skype has not decided to do that.

In my view, I find a pricing strategy offered by Skype very smart. It may seem unreasonable to pay for calling mobile via Skype when we are already paying mobile phone provider. However, Skype relies on fact that more and more people tend to communicate all around the world and thus it set prices so that it is significantly cheaper to use Skype Credit than making a call from a cell phone. The best evidence proving that Skype's pricing strategy really works is provided by Digital Marketing Ramblings (2015) which notes that over 10 years, people spent on Skype more than 1.4 trillion minutes.

For those who do not use Skype only for calling from one Skype account to another and use it to call mobile phones or landlines, there are two methods of payments: Pay As You go and Subscriptions.

6.2.1 Pay As You Go

This alternative offers the user to make calls on mobile phones, landlines, sending text messages and even use Wi-Fi hotspots. It works on a principle of Skype Credit which means that a user puts money into the account and then it depends on him/her when s/he will make his calls since a validity of the credit is unlimited.

Table 1. Skype's rates to United States and Czech Republic with Pay As You Go method

RATES TO CZECH REPUBLIC	
Czech Republic	*2,1 cents/per minute*
Czech Republic – Mobile	*10,8 cents/per minute*
Czech Republic – Prague	*2,1 cents/per minute*
RATES TO UNITED STATES	
United States	*2,1 cents/per minute*
United States – Alaska	*2,1 cents/per minute*
United States – Hawaii	*2,1 cents/per minute*

Source: Data from Skype 2015.

6.2.2 Subscriptions

For those who uses Skype frequently or for business purposes, there is a method called subscriptions which can be used either only to calling landlines or both landlines and mobiles. As a kind of gift and also a good marketing strategy, Skype offers a free month of an unlimited calling to landlines and mobiles.

Table 2. Skype's rates to United States and Czech Republic with Subscriptions method

RATES TO CZECH REPUBLIC			
Call Landlines	60 min/per month	*1,8 cents/min*	*€1,08/month*
	120 min/per month	*1,7 cents/min*	*€2,05/month*
	400 min/per month	*1,1 cents/min*	*€4,22/month*
	Unlimited Europe	*Unlimited*	*€7,25/month*
	Unlimited World[1]	*Unlimited*	*€12,69/month*
Call landlines and mobiles	60 min/per month	*16,7 cents/min*	*€10,03/month*
	120 min/per month	*15,1 cents/min*	*€18,14/month*
SMS to Czech Republic	*8,9 cents/message*		
RATES TO UNITED STATES			
Call landlines and mobiles	60 min/per month	*1,8 cents/min*	*€1,08/month*
	120 min/per month	*1,7 cents/min*	*€2,05/month*
	400 min/per month	*1,1 cents/min*	*€4,22/month*
	Unlimited US	*Unlimited*	*€6,04/month*
	Unlimited World[1]	*Unlimited*	*€12,69/month*
SMS to United States	*9 cents/message*		

Source: Data from Skype 2015.

[1] Includes USA, UK, China and over 60 other countries; excluding Colombian rural areas - LEX.

6.3   Place

When talking about Skype, it is quite difficult to define some distribution. Since Skype does not offer any tangible product, there is no reason to possess a developed distributional channel which is typical of companies designing smart phones, computers, etc. When it comes to the Skype application, it is available on many websites for free. Users may download it from the Skype's official website *Skype.com* or from many other websites offering software such as *Stahuj.cz*. People who own a mobile phone or tablet working with an operating system Android, developed by Google, may download Skype straight from the application called Google Play which is a part of each Android system. Google Play serves as a kind of helper in process of searching and consequently downloading application from one place.

Similarly as the Skype application, also Skype Credit and Subscriptions are available on the official website *Skype.com*. However, Skype Credit is the only product which might be purchased also in retail outlets in a form of a voucher (Skype 2015). Unfortunately, there are only few outlets which offer Skype voucher and these are located primarily in bigger countries such as the United States, Russia or Brazil where Skype expects bigger demand and thus bigger profit.

6.4   Promotion

Nowadays, Skype is so widely recognized that it does not need to spend money on any special promotion. There are only few advertisements on YouTube focusing primarily on a group video calling which is rather new feature and thus not as popularized as regular Skype calls. Usually, such an advertisement depicts either one of the family member talking to his/her children, or a separated couple who cannot be together. In both scenarios the only way to see and hear beloved is via Skype. The advertisements promoting Skype are generally based on emotions trying to depict how easy it is to be with relatives even if they are thousands of miles away.

As mentioned in the section dealing with marketing strategies, Skype also tries to promote its product by using different partnerships with celebrities and by participating in events which are supposed to be widely watched such as X Games. After being acquired by Microsoft, Skype has appeared in some advertisement promoting Nokia cell phones which are also owned by Microsoft. Another significant part of Skype's promotion is sales promotion. For instance, the company offers its service Skype Unlimited World first month

for free. That means free month of calling over 60 countries on both landline and mobile phone. Moreover, Skype Credit might be used as a nice gift for friends or loved ones. It takes only few minutes to complete the recipient's address and choose one of the lovely designs, but the joy of such a gift lasts much longer (Skype 2015).

In my opinion, Skype does not make any considerable effort to promote its products because the company knows that the mightiest promotion is done through word of mouth. As far as I remember, a first mention about the application which allows video and voice communication was done by any billboard or TV advertisement. No, it was my friend who introduced me his new discovery. In my opinion, none promotion can be as trustworthy as a recommendation given by person we have known entire life.

7 PRESENTATION OF THE FACETIME APPLICATION

"Make video calls from your Mac to another Mac — or to an iPad, iPhone, or iPod touch.*

It's easy. It's fun. And it's almost as good as being there." (Apple 2015)

FaceTime is an application developed by an American multinational technology company Apple. The application is similarly to Skype and is used for free voice and video calling. However, it is available only for Apple products such as iPhone, iPad, and Mac computers. Originally, FaceTime was designed only for use over wireless (Wi-Fi) connections to the Internet and it did not work when devices were connected to the cellular network. Nevertheless, those times have passed and in 2012, Apple announced that FaceTime may be used also with the connection over cellular data networks provided by mobile operators. One of the big advantages that FaceTime brings to its users is that every content, both video and voice, is protected by end-to-end encryption. As such it can be accessed only by the sender and receiver. Not even Apple itself can decrypt the data (Mobile Broadband Working Group 1-17-2013, 1-2).

7.1 How It Works

When using Skype, users are required to set up a special account or screen name which would help them to be identified by others. There is no need to have any special account with FaceTime since the application uses a special identification code called an Apple ID. For those who use an iPhone, there are two possible ways of getting the Apple ID. The users can either register an e-mail address, or their phone number, which will be automatically used as their Apple ID. On the other hand, people using an iPad or iPod touch may register only their e-mail address. Certainly, it is not a big deal to change a current Apple ID. The only thing needed to reset the Apple ID is to sign out of each application which is using it (iCloud, the iTunes Store, App Store, etc.), go to the settings and enter a new email address (Apple 2015).

To start a video or voice call is very simple and a user may choose from several options. Firstly, s/he might enter receiver's phone number or an e-mail address and just press the FaceTime button. If the number or an e-mail address is already saved in contacts list, it is enough just to select it. When a user is already talking to somebody and wants to

switch to video, s/he just presses the FaceTime button. Lastly, those who are fond of technological progression may use Siri and just say, "FaceTime with John". Siri is a personal assistant application, developed by Apple only for use of its iOs operating system. Siri enables its user to operate a mobile phone, or tablet just by voice commands (Apple 2015).

As for the interesting features offered by FaceTime, the possibility of switching cameras is worth mentioning. Since each Apple product such as iPhone, iPod, iPad has two built-in cameras, users may decide which camera will be used, whereas tapping a button will switch to the second camera. This might be useful if someone desires to show what is happening in front of him, while still keeping a face-to-face contact. And it is all thanks to the front camera placed at the front of the device. Although this "two-camera mode" is not available on Apple computers, users who own iMac, MacBook Pro, or MacBook Air may enjoy high resolution video calls with a built-in FaceTime HD camera (Apple 2015). With HD resolution and a widescreen 16:9 aspect ratio, everyone can enjoy talking to friends, relatives or loved ones as if they were sitting right in front of them.

7.2   Skype vs. FaceTime

When it comes to a comparison of FaceTime with Skype, there are a couple of significant differences. Probably the biggest difference is the fact FaceTime is available only for Mac OS X and iOS devices designed by Apple, whereas Skype can be run on almost every device including Windows, Mac OS X, Linux, iOS as well as Android. Technically, these two VoIP applications work similarly. However, Skype offers its customers many more features than FaceTime. Drawback is seen in the fact that FaceTime can be used for communication between users of Apple products only. Apart from video chatting FaceTime does not offer additional services to its users. Skype might be used for instant messaging, audio conferencing, file sharing, screen sharing, and it also offers Wi-Fi spots all over the world (Southern 2015). The owners of more Mac computers must be extra patient because whenever someone tries to reach them, it will ring on each of computers even if FaceTime is not running. Although it can be turned off in preferences, it still might be annoying (Apple 2015).

From my point of view, Skype still offers more complex application which is for free and available for most operating systems. On the other hand, FaceTime will be probably preferred by a user whose friends and family own Apple products and so they can use it

and talk to each other. Personally, I think that Apple products are still quite expensive because of huge brands recognition and because it is perceived as sign of luxury. Nowadays, people in the Czech Republic are not willing to pay such money just to own a piece of luxury. For this reason I do not expect FaceTime to penetrate significantly the Czech market in future days.

As already mentioned above, FaceTime cannot be used on any devices except those developed by Apple. Here is the list of devices which can run FaceTime through Wi-Fi:

- iPhone 4 or later;
- iPad 2 or later;
- iPad mini (all models);
- iPod touch 4th generation or later;
- iPod touch 5th generation supports FaceTime audio calling.

When it comes to devices on which FaceTime can be used with a cellular data plan and without access to Wi-Fi, the only possible ones are following:

- iPhone 4s or later;
- iPad (3rd generation or later).

Unfortunately, for some reason that even Apple did not explain, FaceTime might not be available on devices purchased in countries of Middle East, namely Saudi Arabia, United Arab Emirates, and Pakistan (Support Apple 2015).

7.3   Marketing Strategy Analysis of the FaceTime Application

Since the time when FaceTime was introduced in the year 2010, it has appeared in almost every advertisement promoting a new type of iPhone. Firstly, the application was shown as a part of iPhone 4. Since that time, FaceTime has been pre-installed in every following generation including iPhone 5, iPhone 6, iPad third generation and onwards. As there is no need to download the application and eventually install, it is obvious that Apple keeps its tradition and tries to make the usage of FaceTime as easy as possible. Typically for Apple, a design of FaceTime is very simple and stylish. The main goal is to give its user a feeling that s/he is using something special and luxurious. As such s/he might consider self to be

special as well. There are not any colorful signs or effects, the main color is silver which is very typical of Apple and looks nicely with all types of iPhones and iPads. On the contrary, Skype using preferably blue and Viber purple color might in comparison with FaceTime look a bit childish.

In 2013, Apple presented a new TV commercial called "FaceTime Every Day". It lasts only one minute but it displays countless emotions without saying a word. Even though it is also promoting iPhone 5, which is running it, a greater emphasis is put on FaceTime. The aim of this commercial is to show that using FaceTime is more than just talking at an iPhone, it enables to express feelings which otherwise are difficult to communicate (Cambell 2013). It captures a woman who is using FaceTime to show a new house to her husband, a small kid kissing probably its parents on the screen, two women who are communicating by using a sign language but also crying woman talking probably about a quarrel with her boyfriend. This commercial does not perfect life, it portraits both happiness and also disappointment that life sometimes brings.

While Skype does not prefer any special target group, FaceTime is intended to satisfy only one, the Apple's customers only. Apple has always been distinct from other companies. Its aim is to promote only its brand. With this idea in mind Apple developed for example iTunes or Apple Store to ensure that its customers do not use competitor's software. In case of FaceTime, Apple intended to create a competitive application able to compete with Skype, Viber, etc. There was no need to create any special marketing since Apple has so strong brand recognition and each of its products carries a sign of luxury. Moreover, in commercials, FaceTime is usually presented with iPhones or iPads whose marketing is so deeply elaborated that there is no simple need to promote it any more. The question is whether FaceTime should not be available for other devices than such those manufactured by Apple. However, that is a question for Apple's headquarters in San Francisco.

8   PRESENTATION OF THE VIBER APPLICATION

Why Viber?

Free calls, text and picture sharing with anyone, anywhere! (Viber 2015)

When somebody mentions a company specializing in designing an instant messaging and Voice over IP (VoIP) application for smartphones, what comes to mind of most people is Skype. However, there is another competitor worth introducing. Viber is a company founded by Talmon Marco and Igor Megzinik in February 2010 (Viber 2015). Although both founders are from Israel, the company itself is registered in Cyprus and Las Vegas. The company's popularity came with the introduction of a new application carrying same name Viber. By the beginning of 2014, the company has reached 300 million users in 193 countries, growing at approximately 400,000 new users per day. In the same year Viber announced that the company had been acquired for $900 million by Japanese company Rakuten, one of the world's leading Internet service companies (Koren 2014). According to Koren (2014), Talmon Marco, CEO of the Viber Company, believes that joining Rakuten was a good step and that the cooperation may help to penetrate both Japanese and Israeli market very quickly.

8.1   How It Works

Viber enables its users to make a call or video call in HD, to send messages, pictures, and videos all over the world with Wi-Fi or 3G connection. The application is available for most smartphones and operating systems such as Windows, OS X, Windows Phone, Android, BlackBerry OS, Symbian, and so forth. Furthermore, it may be used with tablet and mobile phone simultaneously. Personal mobile phone number is used by Viber for identification and mobile contact list is automatically synchronized, so that a user can see how many people in the contact list use Viber at the time (Google Play 2015). Viber is also localized to 32 world languages including German, Spanish but also Slovak and Czech (iTunes Apple 2014). Some of the most interesting features Viber offers are listed below:

- Make free phone and video calls with HD sound quality;
- Share photos, videos, voice messages, location, stickers and emoticons;
- Create group messages with up to 100 participants;

- Follow public chats – follow favorite celebrities, brands and personalities; watch their conversations, comment them, share the content, etc. (iTunes Apple 2014).

Similarly to Skype, everything is free as far as the communication is done between the Viber users. Once somebody using Viber wants to call a landline or a regular mobile phone without installed Viber, the service is called Viber Out and it is paid. In order to make a Viber Out call, a user is required to have the so called Viber Out credit which might be purchased either through the application or via the official Viber website. Viber Out credit may be used for as long as a user desires because it never expires. The list of rates can be found again on the official website as they differ according to destination. Since personal phone number serves as Viber ID, users do not have to be afraid of losing their credit by switching among mobile devices. Credit is assigned to the phone number so it will not be lost even if a user deactivates the account or switches to a new operating system (Viber 2015). As far as the question of charging the recipient for a call is concerned, Viber (2015) explains that "the recipient of a Viber Out call is subject to the charges stated in the contract with their GSM service provider." The rates in the Czech Republic and in the United States of America displayed in tables 3 and 4 were chosen to demonstrate difference in prices offered by Skype and Viber. All prices include the value added tax.

Table 3. Viber's rates to Czech Republic

RATES TO CZECH REPUBLIC	
Mobile	*11,1 cents/min*
Landline	*3,3 cents/min*

Source: Data from Viber 2015.

Table 4. Viber's rates to US

RATES TO UNITED STATES OF AMERICA	
Mobile	*2,1 cents/min*
Landline	*2,1 cents/min*
Alaska	*5,4 cents/min*
Toll Free	*0,0 cents/min*

Source: Data from Viber 2015.

8.2   Skype vs. Viber

Unlike the comparison with FaceTime, Skype in relation to Viber is more precise as they both offer very similar features. Firstly, it is important to say that Viber was initially launched in 2010 hence it is a relatively new application. On the other hand, Skype has been penetrating the market since 2003 having much more time to bring all its services to perfection and to gain users' loyalty by providing them with a functional product. Moreover, after being acquired by Rakuten, Viber focused more on the Japanese market, and due to its origin also on the Middle East market. Skype is therefore still more recognized in Europe.

When it comes to the competitive advantage Viber has over Skype, the ability of the application to be synchronized with a contact list in the phone should be first mentioned. When using Skype, in order to add someone to the contact list and make a call with her/him, a user is required to search for a Skype name in the database of users, and from my own experience, this might take few minutes. Viber developed more convenient and less time-consuming way of searching for somebody to start a call. After downloading, the application automatically asks for typing a phone number, after that, the user receives a verifying code which needs to be typed, and that is all. From now on, users may easily check who is using Viber and by clicking on a certain contact they can make a call. As far as the question of registration is concerned, Viber is again more convenient since it does not require any registration and thus remembering a username accompanied by a password. From my own experience, I know that not only pensioners have problem to recall which username they are using for which account.

Another fact which speaks in favor of Viber is the question of data consumption. Certainly, making a call through Wi-Fi connection does not cost anything, while the same action done via mobile connectivity might be quite expensive. In this case, Unuth (2015) believes that using Viber would be more reasonable because it takes around 250 KB per minute of call, whereas Skype would take several times more. He also adds that the reason is simple; Skype offers higher quality calls than Viber, but frankly, those who desire to make a high quality video call would probably use a desktop computer rather than looking at friends in a four feet big smartphone screen.

As for disadvantages Viber needs to redesign to be more competitive, I have chosen cost and necessity to have Viber on mobile device in order to be able to use it on the laptop or desktop computer. From the table 1 in the chapter summarizing Skype's pricing

strategies and tables 3 and 4, it is clear that when using Skype's Pay As You Go option, cheaper calls are offered in the Czech market while the completely equal rates appear in the American market. One of the possible reasons for this might be the fact that Viber is not very interested in the Czech market as it prefers to penetrate the markets with customers willing to pay for Viber's services. In addition, Skype disposes of bigger clientele so the company may afford setting lower prices since the total profit will meet company's expectations anyway.

When I firstly tried Viber on my notebook I was surprised by the information that I could not run Viber on notebook unless it was installed on my mobile device. Therefore I had to type an activation code which had been sent to my phone number. After this action I was allowed to use Viber also on my notebook. Personally, I do not see any rational reason behind the requirement of having Viber installed on mobile phone first in order to use the service on a notebook or desktop computer later. It is probably just a desperate attempt to gain more users but I perceive it as nonsense which is annoying because sending the activation code does not work faultlessly.

To sum up and establish the winner, for me it is Skype. Not only is Skype cheaper, it also offers higher quality for both video and voice calls (Unuth 2015). But what is most important to me is Skype's popularity which means that it is much more widely used than Viber. I would have to think for a long time to recall a friend of mine who does not have a Skype account. For this reason it is more convenient to use Skype to be in touch with my friends. All in all, Viber is definitely a useful application which might be strong competition for Skype in the future.

8.3   Marketing Strategy Analysis of the Viber Company

As far as the marketing strategies are concerned, Viber was launched five years ago so it did not have as much time as its competitors to develop any special marketing approach to follow. Yet, it has managed to gain a significant market share and as David (2015) notes, having more than 500 million users by the beginning of 2015 is true evidence that it works.

A first significant step to reach more attention was the opening of its own game service. In December 2014, Viber introduced three new games called Viber Candy Mania, Wild Luck Casino and Viber Pop. Initially, these games were available as a two month pilot for users in Belarus, Malaysia, Israel, Singapore and Ukraine. Afterwards, the game service was opened to users worldwide. The main goal of these games was to increase

users' engagement with the service by letting the users share scores and basically interact with other users of the same service. In addition, not only drawing more attention to the service was accomplished, the company also managed to make money via in-app purchases for power-ups, additional lives, etc. Viber CEO Talmon Marcos assured that the application's fans may expect new games to be added, but he refused to be more precise (Russell 2015).

As Viber announced that it is not going to use advertisements as its monetizing strategies, many people wondered how the application wants to be profitable. The answer was a Sticker market. Stickers are funny pictures, very similar to the emoticons used by Facebook, which might be used to express mood without typing a single word. They were introduced in December 2012 as entirely free. However, after adding more funny stickers to its market, Viber has decided to turn some content into paid content through in-app purchase. Since that time Viber has been introducing many cute stickers for each important occasion. For instance, kissing couple on Valentine's Day was extremely popular (David 2015). Each set of stickers consist of approximately twenty stickers and the price of one set is usually around $1.5. Personally, I do not find those stickers so tempting to spend that amount of money on them, though I can imagine that especially younger users would be willing to pay for them to make chatting with friends more fun. David (2015) demonstrates a huge success that stickers have brought to Viber by noting that more than 22 billion stickers have been sent in 2014.

However, none of those successes made Viber complacent with its marketing acting. Therefore in 2014 the company introduced Mark Hardy as a new CMO (Chief marketing officer). His objective was to lead brand development and elaborate marketing strategies that would help to pursue its competitors. Certainly, Talmon Marcos knew very well who would be the right man to lead his marketing department. Since Mark Hardy previously worked for such significant companies like Simon Cowell's Syco Entertainment, specializing in production and marketing of music, television, film and digital content, and also for European marketing department of PlayStation (Barber 2014). Hardy's mission will not be simple since for example Skype has been conquering market much longer, but who knows what may happen in the forthcoming years. The world of mobile application is unpredictable.

9   PRESENTATION OF THE AT&T COMPANY

"Mobilizing Your World" (Lee 2014)

AT&T Inc. (hereinafter referred to as "AT&T") is an American multinational telecommunications corporation with headquarters in Dallas, Texas. The letters AT&T stand for American Telephone and Telegraph Corporation. The reason why I have chosen AT&T as Skype's competitor is because I believe that Internet telephone operators such as Skype have a potential to become a direct competitors to the telecom operators such as AT&T. By providing similar services for better prices, it seems that it is just a matter of time when Skype acquires a status of telecom operator as well.

When it comes to a history of AT&T, it is necessary to go back to 1875, the year when The Telephone was invented by Alexander Graham Bell. In 1876 and 1877, Bell finally earned patents for his invention. In 1877, Bell and two other men, Gardiner Hubbard and Thomas Sanders, established Bell Telephone Company. After gaining a huge success in major cities and towns in the United States, Bell's enterprise became known as American Bell Telephone Company. In 1882, American Bell acquired significant interest in the Western Electric Company and the entire enterprise became known as the Bell System. Finally, in 1885, The American Telephone and Telegraph Company (AT&T) was introduced as a wholly own subsidiary of American Bell. On December 31st, 1899, AT&T acquired the Bell Company and became the main company. After an antitrust suit by the U.S. government which was settled in 1982, AT&T was forced to divest its regional subsidiaries and eventually turn them into individual companies known as Regional Bell Operating Companies (WINLAB 2015). In 2005, according to AT&T (2005) SBC Communications Inc. announced purchase of AT&T for almost $17 billion adopting its brand and name. After that year, AT&T has acquired many smaller companies such as Mexican wireless telecommunication company Iuasacell or an American direct broadcast satellite service provider Direct TV (WINLAB 2015).

Since 1875, when Alexander Bell "gave birth" to AT&T, the company has been going through many changes. Some of these changes were constrained, some were voluntary but in the end it managed to become one of the biggest companies in the U.S. with more than 243,600 employees, providing its service across the entire North America.

9.1 How It Works

Since AT&T is a regular telecom operator, it offers much more features than software (Skype, FaceTime, and Viber) mentioned above. Besides text and picture messaging, voice calling, voice mail service or possibility to call emergency service, one crucial difference is the fact that AT&T provides its mobile users with 3G Internet connection as well as 4G. Since 2011, the company has been providing 4G LTE service in 291 markets in the US, which means that about 60% of the US population may use the access to AT&T via 4G. Moreover, with more than 106 million subscribers as of June 2013, AT&T is the second largest carrier in United States. When it comes to a download speed, the company offers 2.4Mbps (megabits per second) for 3G and 11.5Mbps for 4G connection. All the coverage is provided thanks to 824,297 cellular towers, where an antennae and electronic communications equipment are placed, 825 cellular networks, and 1,230,834,497 Wi-Fi points (OpenSignal 2014).

9.2 Skype vs. AT&T

As it was mentioned many times, the most significant competitive advantage that AT&T has over Skype is an option to offer 3G and 4G network. To make the difference clear, 4G is the same thing as 3G, just faster. Apart from some remote places without coverage, AT&T customers may enjoy the Internet connection almost everywhere. On the other hand, customers who rely only on Skype would use either one of the 2 million Skype's Wi-Fi hotspots or any other available hotspots. The problem is that these Wi-Fi hotspots might be usually found only in public places such as restaurants, bus stations, libraries or airport terminals. When it comes to a beach or a car, it is more convenient to have AT&T.

Another significant difference between Skype and AT&T are the plans for their subscribers. While Skype offers methods called Pay As You Go and Subscriptions which where explained in chapter dealing with Skype's marketing mix, AT&T has built its business on the so called plans or bundles. As the American model of plan provided by AT&T slightly differs from the one provided by telecom operators in the Czech Republic, I will try to briefly explain how it works. Firstly, AT&T offers its customers plans which are usually for two years. The price is variable since the customer may not only add more devices that the plan covers, but also choose among monthly data bucket such as 1GB, 6GB, 8GB, and so forth. It is important to know that if a customer decides to add for example smartphone and laptop to the plan, all devices will be drawn from the chosen data

bucket. Every additional gigabyte is charged individually. What is interesting is the fact that there are different rates for smartphones, modems, tablets, etc. Since it is not software, there is no need to download it or install it. Due to the fact that plans usually include unlimited number of short text messages and voice calls with each device, rates for smartphones are more expensive than those for tablets since smartphones make a lot of calls and send a lot of text messages. For instance, a monthly device connection fee for tablet would be $10 while for smartphone $30-45. Just for imagination, a couple using two smartphones and two tablets would pay $200 for their plan (Fitchard 2012). Moreover, AT&T rewards signing its two-year contract by giving a discount on smartphones.

As far as Skype advantages are concerned, it is important to see the differences between Skype and AT&T. Since Skype is peer-to-peer Internet telephone operator which is dependent on the Internet connection, it is hard to define any advantages until it offers its own 3G or 4G network. Of course, it might be said that unlike the American telecom operator, Skype offers group video calls, sending files, screen sharing and many other features which still need a device to be connected to the Internet. Even though there are some Wi-Fi hotspots which allow usage of Skype, it is still not enough to enable it to compete with AT&T.

9.3 Marketing Strategy Analysis of the AT&T Company

In 2014, the American giant AT&T developed a very aggressive marketing slogan that attacks its two closest competitors: T-Mobile US and Verizon Wireless. The slogan says: "Bigger than T-Mobile, faster than Verizon Wireless and more reliable than everybody". Yet it might seem too aggressive, AT&T's CMO David Christopher does not think so and he noted that market is very competitive and thus the company must be able to be competitive as well. According to Christopher, the main objective of this slogan is to emphasize what AT&T's strengths are. He meant especially company's smartphone portfolio, network performance and Mobile Share price plans. However, not only marketing slogan is a part of AT&T's competitive marketing. In addition, before the company developed new slogan, it had also tried to attract current T-Mobile customers by offering them up to $450 in credit for leaving T-Mobile and becoming an AT&T user. Obviously, this is not a long-term focus and Christopher is aware of that. T-Mobile answered to aggressive acting from AT&T by revamping international roaming fees. It was

a precious counter-attack since in the third quarter of 2013, T-Mobile announced 1 million new subscribers (Marek 2014).

Unlike its competitors described in this thesis, AT&T follows common strategy called target marketing. On the Mobile World Congress held in Barcelona this year, Glenn Lurie, AT&T's new wireless chief, talked about changes which were made to change company's marketing approach. Lurie said that the company divided the United States into four regions allocating 22 general managers (GMs) in order to develop an appropriate strategy for each region. Being aware of the fact that it is hard to develop a strategy that would satisfy an entire market, Lurie continued that for instance GM for Florida would advertise its products aimed at the Cuban Spanish to local residents, while GM for Arizona would do the same targeting the Mexican Spanish. Only time will indicate how successful this target marketing might be and whether it will bring desired profit or not (Dano 2015).

All in all, AT&T has proven that it is able to withstand strong competition and "fight for" the rest of the market. When comparing AT&T with Skype or Viber, and it is necessary to realize that it will not be very precise until one of them becomes a regular telecom operator, AT&T is forced to be more watchful of other operators since the competition on the American market offering telecom services is much tougher than the one concerning VoIP communication.

10 SUGGESTIONS FOR THE FUTURE DEVELOPMENT

As it was already mentioned, Skype has been developing its application and marketing strategies much longer than any of its competitors. Yet, the company has not succumb to complacency and has kept improving not only the features of the application but also everything connected with marketing such as design, brand recognition, etc.

After looking at all the features that Skype offers to its customers, one would say that Skype is ready to become a regular mobile operator. Actually, as Flood (2013) describes, French telecom regulator Arcep started investigation into the French version of Skype, trying to prove that Skype should be registered as a telecom operator. Since Skype is taking thousands of customers away from the telecom operators, there is no wonder that some of the biggest operators such as AT&T urge on Skype's registration, which means more regulations. To compare Skype with telecom operators, Higginbotham (2013) explains that in 2012, Skype reached the increase of more than 51 billion minutes which is twice as much as was achieved by all international carriers in the world combined. The reason that makes telecom operators discontented is a big disparity in pricing between operators' and Skype's calling. Such a disparity is caused by different ways governments regulate the regular telecom operator voice network and IP. To make it clearer, without a status of being a telecom operator, Skype can easily avoid paying fees connected with calling overseas because it only has to pay to reach a number at the end point if it is not a Skype to-Skype call (Higginbotham 2013). All in all, it is not tempting for Skype to be under more regulations and pay more fees. However, if the company decides to register as a mobile operator and offers its own network, Skype may generate a huge profit for data consumption. Presumably, it is just a matter of time when Microsoft makes its decision to introduce its own mobile operator which would be able to compete with any of the current carriers.

Although it may sound strange, before obtaining a status of operator, Skype might benefit from the cooperation with telecom operators. To be more precise, Skype might benefit from the penetration of the Indian market. According to Mirani (2014), Indian mobile carriers have troubles to generate as high revenue per user as carriers in other countries. He explains that the average revenue per user is just $2.60 per month. On the other hand, Chinese operators are able to generate $9.60 per user per month and for example Australian carriers make $38.50. In recent years, even though the average price of data has dropped by 15 percent, the usage of data and revenue from it has doubled. In

addition, more and more Indians are getting online with newly purchased smartphones. Additionally, the difference in pricing between voice and data makes them tempted to use data plans. For instance, one megabyte of data costs 83 percent of the price which would be paid for a one-minute talk in India. The problem is that the data in India are not as expensive as it may seem, but the voice call is extremely cheap. After considering all of these facts, it has been proposed by Mirani that operators would make more money through the subscribers using Skype than through regular voice calls over the network. Furthermore, when making a phone call, only one party needs to pay. When it comes to Skype, it requires both sides to consume the data. In this respect, revenue for operators providing a network will be greater. The same applies for text messaging. Messaging via Skype seems to be easier. Furthermore, both senders and receivers would consume the data while sharing pictures or videos (Mirani 2014).

What I believe would make Skype unbeatable on the market is bringing its real-time translator to perfection. This new feature is supposed to automatically translate conversations almost in real time. It is still not 100 percent accurate translation and service is still available only in English and Spanish, however, after bringing the translations to perfection and adding more languages, this feature has a potential to play a key role in fight for the market share. If it functions as it is supposed to, it will become a mighty tool leading to a clear defeat of all its competitors. With such a translator, there would be no need to hire expensive interpreters to make a business with a foreign company. Moreover, the employer would not have to pay for expensive language courses for its employees. So many who are afraid to talk in foreign language or those, who simply do not know any language, would be given a chance to communicate with anybody all over the world without turning red for non-native accent. As usual, everything has its pros and cons and so real-time translator does not have to express a correct context informing its users about meaning of given words. Moreover, it may also cause that people will be no longer willing to foreign languages because they may easily use Skype. However, that it is not Skype's problem and as a multinational company it must do whatever it takes to get as many customers as possible. Personally, I am pretty sure that after introducing a full version of its translator and adding more available languages, many people will leave Viber or FaceTime in order to enjoy Skype.

To sum it up, based on the analysis of marketing strategies of Skype and its competitors, it may be said that Skype is doing its business successfully since it is a leader

of the market. Moreover, its brand recognition has become so strong over time that many people started using the phrase "to Skype" as a verb for making a call via the Internet. As it was said, Skype owns most of the market share and does not focus only on one continent, but rather tries to penetrate the entire world. Nevertheless, Apple has probably the most loyal customers in the world and after introducing FaceTime, many of those customers believe in Apple's own products and thus, prefer it. Similarly, through gaining a significant market with its ease of registration, synchronization with contacts saved on SIM card and of course with its cute stickers, Viber has become a competitor which must be definitely taken into consideration. Yes, Skype is a leader, though; there is a lot of work ahead to withstand pressure exerted by the competitors. It might be said that Skype's marketing strategies work precisely and there is no reason to change them. However, competitors are getting stronger and stronger with every single day, determined to take advantage of any given opportunity to gain a piece of Skype's market share for themselves. In order to defend its dominant market position, Skype must be flexible enough to be capable of reacting on any smart attack from the side of the competitor. For instance in these days, Lee (2015) informs that Viber has decided to switched off Viber Out billing to enable Nepalese, struggling with the earthquake, to call any destination for free. Now, it is time for Skype to prepare a sufficient counterattack which returns attention back to its products.

CONCLUSION

Communication belongs to everyone's life as well as feelings or needs. It does not matter if it is verbal or nonverbal communication, whether it is a quarrel, advice or confession. Since the beginning of mankind, people have gotten used to use communication on daily basis. Nowadays, especially when it comes to youngsters, nonverbal communication is more preferred over the verbal one. The reason might be today's hurried world where people tend to do things in motion. When it comes to video calling and voice calls, telecom operators and VoIP applications enable people to be in contact with their relatives wherever on the planet they are.

In this bachelor thesis, the most popular VoIP application was analyzed. An analysis was done with regards to Skype marketing strategies that the company has developed. As for the results, it was discovered that the company uses two different marketing strategies. First one is an Endorsement or as Skype calls it "Partnership" with famous people such as Katy Perry and participating in festivals or similar events. Then, Skype used a strategy called "Storytelling" in order to gather stories from customers using the application and at the same promoting the application through those stories.

Another part of the thesis deals with marketing mix of the Skype Technologies. There is only product designed by the company and that is its well-known application Skype. Regarding other elements of the marketing mix, being aware of offering the best prices on the market, Skype does not put a great emphasis on some kind of promotion or distribution. It might be said that Skype is in the maturity stage of its life cycle and thus the company focuses preferably on maintaining the market share it has reached.

Moreover, this thesis also dealt with the question of a possible registration of the company Skype Technologies, providing people with VoIP application, as a new mobile operator. On the basis of careful analysis, it was stated that the company will be ready to become an operator as soon as it introduces its own network. The question that remains is whether Skype registers voluntarily, or whether it will be forced to do so.

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LIST OF TABLES