

An Analysis of the Competitiveness of an Event Agency in the Zlín Region

Andrea Čožíková

Bachelor's Thesis
2016



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně
Fakulta humanitních studií
Ústav moderních jazyků a literatur
akademický rok: 2015/2016

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Andrea Čožíková**
Osobní číslo: **H13378**
Studijní program: **B7310 Filologie**
Studijní obor: **Anglický jazyk pro manažerskou praxi**
Forma studia: **prezenční**

Téma práce: **Analýza konkurenceschopnosti eventové agentury ve Zlínském kraji**

Zásady pro vypracování:

Definujte cíle práce a metody použité k jejímu zpracování.
Zpracujte literární rešerši z oblasti konkurenceschopnosti.
Analyzujte současnou úroveň konkurenceschopnosti firmy.
Na základě provedených analýz navrhnete kroky ke zlepšení konkurenceschopnosti dané firmy.

Rozsah bakalářské práce:

Rozsah příloh:

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

Seznam odborné literatury:

Bartes, František. 2011. Strategie konkurenčních střetů: Metody pro analýzu odvětví a konkurentů. Ostrava: Key Publishing.

Cannon, Joseph P., William D. Perreault, and E. McCarthy. 2008. Basic Marketing: A Global-Managerial Approach. New York: McGraw-Hill.

Dvořáček, Jiří, and Peter Slunčík. 2012. Podnik a jeho okolí: Jak přežít v konkurenčním prostředí. Praha: C. H. Beck.

Kotler, Philip, and Kevin L. Keller. 2012. Marketing Management. Upper Saddle River: Prentice Hall.

Porter, Michael E. 2004. Competitive Strategy: Techniques for Analyzing Industries and Competitors. New York: Free Press.

Vedoucí bakalářské práce: **Ing. Jiří Vaněk, Ph.D.**
Ústav managementu a marketingu
Datum zadání bakalářské práce: **13. listopadu 2015**
Termín odevzdání bakalářské práce: **6. května 2016**

Ve Zlíně dne 6. ledna 2016


doc. Ing. Anežka Lengálová, Ph.D.
děkanka




PhDr. Katarína Nemčoková, Ph.D.
ředitelka ústavu

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

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

Prohlašuji, že

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

Ve Zlíně 29. 5. 2016

Čouřková

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

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

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

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

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

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

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

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

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

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

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

ABSTRAKT

Následující bakalářská práce se zabývá analýzou konkurenceschopnosti eventové Agentury XY ve Zlínském kraji. Práce je rozdělena na 2 části, přičemž tou první je teoretická část, v které jsou vysvětleny poznatky týkající se této problematiky jako je například konkurence, marketingový mix, benchmarking apod. V praktické části je pak provedena samotná analýza konkurenceschopnosti Agentury XY s využitím Porterovy analýzy pěti konkurenčních sil, Benchmarkingu, PESTLE analýzy, IFE a EFE matice a SWOT analýzy. Na základě výsledků z jednotlivých analýz jsou pak popsány návrhy, které by vedly ke zvýšení úrovně konkurenceschopnosti této firmy.

Klíčová slova: konkurenceschopnost, konkurence, marketingový mix, Benchmarking, Porterova analýza pěti konkurenčních sil, PESTLE analýza, IFE a EFE matrix, SWOT analýza

ABSTRACT

The following bachelor's thesis is concerned with an analysis of the competitiveness of an event Agency XY in the Zlín region. The work is divided into 2 sections where the first one is theoretical and the findings dealing with the issues such as competition, marketing mix, benchmarking and others are being explained there. The analysis of competitiveness of the Agency XY itself is performed in the practical part with the use of Porter's five forces analysis, Benchmarking, PESTLE analysis, IFE and EFE matrix and SWOT analysis. The suggestions that would lead to the rising level of the competitiveness of this firm are described according to the outcome of individual analyses.

Keywords: competitiveness, competition, marketing mix, Benchmarking, Porter's five forces analysis, PESTLE analysis, IFE and EFE matrix, SWOT analysis

ACKNOWLEDGEMENTS

I would like to express my thanks to my supervisor Ing. Jiří Vaněk, Ph.D for his time which he dedicated to comment on this thesis and the willingness to help me during the whole process. I also appreciate the help of Ing. Monika Vašková who is the head of marketing department in the Agency XY and who provided me with the internship in analyzed company and valuable advice on the topic of competitiveness.

CONTENTS

INTRODUCTION	12
GOALS AND METHODS USED IN THE THESIS	13
1 THEORY	14
1 MARKETING	15
1.1 The Concept of Marketing.....	15
2 MARKETING MIX.....	17
2.1 Tools of Marketing Mix	17
2.1.1 Product.....	17
2.1.2 Place.....	18
2.1.3 Promotion	18
2.1.4 Price	18
2.2 Comparison of the Two Models – the 4P’s versus the 4C’s.....	18
3 SERVICES MARKETING.....	20
3.1 Marketing Communications Mix.....	20
3.1.1 Advertising	20
3.1.2 Personal Selling	21
3.1.3 Public Relations & Publicity	21
3.1.4 Sales Promotion.....	21
3.1.5 Events & Experience	21
3.1.6 Direct Marketing.....	22
3.2 Extended Marketing Mix – the 7P’s.....	22
3.2.1 People	22
3.2.2 Process	22
3.2.3 Physical Evidence	23
4 COMPETITION	24
4.1 Designing a Competitive Strategy	24
4.2 Porter’s Competitive Strategies	24
4.2.1 First Place in Low Expenses.....	25
4.2.2 Distinction of Products	25
4.2.3 Focus.....	25

4.3	Competitive Advantage	26
4.4	Competition on the Market.....	26
4.4.1	Competitive Positions.....	26
4.5	Porter’s Five Forces Analysis	27
5	BENCHMARKING	29
5.1	Varieties of Benchmarking	29
5.1.1	According to the Category of Compared Partners.....	29
5.1.2	According to the Objects	29
5.1.3	According to the Period of Time	30
5.2	The Process of Benchmarking	30
5.3	Benchmark Index.....	31
6	INTERNAL AND EXTERNAL MARKETING ANALYSIS.....	32
6.1	PESTLE Analysis	32
6.1.1	Political forces	33
6.1.2	Economic forces	33
6.1.3	Social forces	33
6.1.4	Technological forces.....	33
6.1.5	Legal forces	34
6.1.6	Environmental forces.....	34
6.2	SWOT Analysis	34
6.2.1	External Analysis.....	34
6.2.2	Internal Analysis	35
6.2.3	Evaluation of SWOT Analysis	35
6.3	SPACE Matrix.....	35
II	ANALYSIS	36
7	THE EVENT AGENCY XY	37
7.1	Brief History of the Agency XY	37
7.2	Structure of the Company	37
7.3	Target Customer	38
8	MARKETING MIX OF THE AGENCY XY.....	39

8.1	Product.....	39
8.2	Price of Product	39
8.3	Place (Distribution).....	40
8.4	People and Promotion.....	40
8.5	Process	40
8.6	Physical Evidence	41
9	MARKETING COMMUNICATIONS MIX OF THE AGENCY XY.....	42
9.1	Advertising	42
9.2	Personal Selling	42
9.3	Public Relations & Publicity	42
9.4	Sales Promotion.....	42
9.5	Events & Experience	43
9.6	Direct Marketing.....	43
10	PORTER'S FIVE FORCES ANALYSIS OF THE EVENT AGENCY XY	44
10.1	Suppliers	44
10.2	Buyers	44
10.3	Substitutes.....	44
10.4	Existing Competitors	45
10.5	New Entrants	45
11	ANALYSIS OF THE AGENCY'S COMPETITORS	46
11.1	Agency Devět měsíců, s.r.o.	46
11.2	Agency Honza Sedláček	46
11.3	Agency Velryba, s.r.o.	46
11.4	Agency Publicity, s.r.o.....	47
11.5	Agency September	47
11.6	Arts, Production and Modeling Agency Iva Janálová	47
11.7	Czech Arts Agency Pragokonzert Bohemia, a.s.	47
11.8	MPV Events.....	48
11.9	Comparison of the Listed Competitors.....	48
12	BENCHMARKING	49
13	PESTLE ANALYSIS.....	51

13.1 Political Forces	51
13.2 Economic Forces	51
13.3 Social Forces.....	52
13.4 Technological Forces.....	52
13.5 Legal Forces.....	52
13.6 Environmental Forces	53
14 IFE & EFE MATRIX OF THE AGENCY XY.....	54
14.1 External Forces Evaluation.....	54
14.2 Internal Forces Evaluation	55
14.3 Evaluation of Analyses by SPACE Matrix.....	55
15 SWOT ANALYSIS OF THE AGENCY XY	57
15.1 Chosen Strategy	58
16 SUMMARY AND SUGGESTIONS FOR THE IMPROVEMENT OF COMPETITIVENESS	59
16.1 Overview of the Analytical Section.....	59
16.2 Suggestions for the Agency XY	60
16.2.1 Overview of the Suggestions with an Emphasis on the Time Needed and Total Expenses	62
CONCLUSION	64
BIBLIOGRAPHY	65
LIST OF ABBREVIATIONS	68
LIST OF TABLES	69

INTRODUCTION

Competitiveness does not only mean thinking outside the box. It is a constant process of analyses, self-criticism, flexibility, development, innovations and most of all – care for the customers. In general, a business needs to conquer a sustainable competitive advantage in a comparison with its rivals. An acquisition of the advantage is not all the work, it needs to be also protected and constantly developed. Only the attentive companies preserve an irreplaceable position on the market.

There is a whole scale of factors which needs to be observed and guided if possible. For that reason, the internal and external environment of a certain company is being examined. The undertaken analyses then serve as a source of information for the further improvement of the firm's position on the market. Such examination may therefore make a real difference if speaking about the level of competitiveness.

The following bachelor's thesis is concerned with the competitiveness of an event Agency XY in the Zlín region and it is divided into two sections. Firstly, the literary works discussing the related topics are being processed and then the analysis of competitiveness of the chosen event agency is undertaken on the basis of the theoretical knowledge. Individual analyses determine both the current state of the agency's competitiveness and some steps which could be used in order to improve it with the use of tools such as Porter's five forces analysis, Benchmarking, PESTLE or SWOT analysis. The recommendations which would lead to the higher level of competitiveness of the event Agency XY are the outcome of this thesis.

GOALS AND METHODS USED IN THE THESIS

As the title of the thesis suggests, the aim of this work is to analyze the current state of the competitiveness of the chosen company – event agency XY and according to the undertaken analyses, set some improvements which could be implemented in order to increase it. The proposal of improvements can be considered as the main aim of the thesis and the analyses that examine internal and external environment of the company are the necessary components which are performed in order to achieve the main goal. The data dealing with the agency XY are mostly being used from the internal documents of the company or from the interview with the head of marketing department who is also in the charge of the theses there. Benchmarking mostly provided the data for assembling the IFE matrix, PESTLE analysis for the EFE matrix and the results were evaluated through the SPACE matrix. Eventually, the SWOT analysis was designed and some appropriate recommendations were derived.

I. THEORY

1 MARKETING

1.1 The Concept of Marketing

Formulation of marketing is the task itself. Essentially, the whole concept is struggling to find equilibrium between the interests of entrepreneur and consumer. As Armstrong and Kotler pointed out, many people associate marketing with sales and advertisements rather than the process of creating mutually profitable relationship between seller and customer, which is nowadays more accurate definition. If there is a phrase that should be connected with function of marketing, then it must be focus on customer because the aim of marketing itself is to attract customers, deliver them a superior product or service and preserve them. The whole scheme is based on the customers' satisfaction and therefore sellers, when keeping the marketing in mind, need to be aware of consumers' needs and provide them with a product or service that will offer a high-quality value for reasonable prices and design an effective propagation. If the mentioned requirements are met, the product or service should be demanded by people. (Armstrong and Kotler 2014, 4-5, Zamazalová 2010, 3)

While marketers want to satisfy customer's needs, they are often applying their point of view. Market offering is being considered from two perspectives. Firstly, the consumers deal with the benefits that they get if they make a purchase. The second point of view is concerned with what the consumer has to sacrifice to obtain such benefits. For example, a student evaluating whether to buy a coffee before an exam or not may think of the coffee as a great way to refresh his mind and on the other hand, he may assess the way to purchase the coffee as a waste of time when he could be rather studying. This example showed that the benefits and costs which the consumers are willing to give up for obtaining goods or services differ. Many factors influence consumers' decision – cost, situation, preferences etc. Nevertheless, the consumer's view is the crucial one and it gives the drive to marketers to understand the consumers' evaluation process between benefits and costs. (Cannon, McCarthy, and Perreault 2008, 37-38)

Sellers may offer up to 10 different items to be exchanged such as merchandise, services, ideas, people and so on. Merchandise represents tangible goods that are consisted of most countries' production while the high proportion of services occurs in the countries whose economy is rather developed. Marketing surrounds us basically everywhere – towns attract tourists, celebrities promote themselves, summer camps make an effort to attract

children by experience to remember and for example the tennis matches advertises the match itself, players, brands and plenty of other items simultaneously. These 10 items that are being offered in a market may be called market offerings and thanks to them people satisfy their needs or wants. (Kotler and Keller 2012, 5-6)

If there is a consumer who evaluates his desired good or service good enough to be bought and eventually decides to do so by providing something in return (usually money), then the exchange takes place. After the clarification of the exchange, there is a great connection with the market. The market can be described as a group of either contemporary customers or those who we could attract in the future and meet their needs. The connection between the concept of market and exchange is that the customers who create a market have the same desire in common which can be satiated due to the exchange. Concerning the marketing, the task is to operate markets so that the exchange was carried out and the relationship between the markets and sellers was mutually efficient. (Armstrong and Kotler 2014, 7)

Marketers apply the knowledge of consumers' wants, needs and demands because these are essential for running a business. Needs may be described as the foundation stone of Maslow's Hierarchy of Needs such as the human need to breathe, eat, sleep etc. Those are in other words physiological needs. Except for the essential needs, humans also recognize that they want to have fun, travel, do some sports and such needs are qualified as humans' wants. The difference between the two of them is that wants do not need to be satisfied for us to survive while needs have to. Imagine a Czech and Russian citizen to illustrate the difference between the needs and wants. Both of them are hungry, which is their need but the Czech one wants to eat the Czech goulash while the Russian is thinking about the home-made borsch. As the example showed, wants varied and it is mostly influenced by the culture and society that consumers live in. The last item to describe is the demand that covers the customers' wants that can be fulfilled by concrete good or service marked with an ability to pay for them in return. For instance, there are many people who want to own a BMW but there is only a limited number of those who can afford to buy it. Therefore firms have to analyze not only who is interested in their products but who is also likely to buy them. (Kotler and Keller 2012, 9-10)

2 MARKETING MIX

Marketing mix is closely tied to the marketing strategy that places the target consumers to its main concern. Firstly, the firm determines the whole market that is available, then it has to be separated into smaller parts, often called segments, and finally, the firm chooses the part of the market which is the most likely to be interested in the products that the firm will offer. Speaking in general terms, the company then concentrates its effort on the chosen segment and attempts to deliver the value mainly to the customers from this constituent. Once the company determined its target consumers and created the strategy that is competitive in the comparison with the other firms providing the same products, it is time to come up with a marketing mix that will practice the marketing strategy. Marketing mix can be defined as a blend of marketing tools that the firm operates so that it achieved the echo it desires in the target consumers. The marketing mix is being considered as one of the crucial concepts in modern marketing and it is consisted of 4 major parts so-called the 'four Ps' – these tools take care of any activity that the company undertakes to secure the demand for its goods or services. (Armstrong and Kotler 2014, 109-110)

2.1 Tools of Marketing Mix

The four Ps mentioned above stands for a product (1st P) due to that the firm set ups offering and the selected product needs to be evaluated by a reasonable price (2nd P). If the two of these are decided, the firm has to come up with an accessible place (3rd P) for offering so that the target consumer was able to obtain the product easily. After all, the target segment has to be acknowledged about the offer of goods or services and thanks to a promotion (4th P) convinced to buy them. (Armstrong and Kotler 2014, 12)

2.1.1 Product

This field is focused on creating a convenient product for the segment a company has chosen to satisfy. When talking about the product, it may be a service, a good, or a mixture of both, but it is important to realize that this field is not tied only to some physical goods - a warranty, an after-purchase service etc. all comes with the product and these are all intangible. Each company developing its product should keep in mind the consumers' needs that they want to meet. (Cannon, McCarthy, and Perreault 2008, 48)

2.1.2 Place

Right after creating an appropriate product, it needs to be accessible to the target consumers. Moreover, it needs to be there while the demand occurs. In order to achieve the accessibility, the companies use so-called distribution channels. These channels can be understood as a row of either companies or humans who are included in the process of getting product to its final consumer. Distribution channels can be short, for example when the company offers a good online and it goes straight to its consumer. However, the channels can be also long – especially when the company wants to satisfy a larger amount of consumers, then it needs to distribute through the wholesalers and retail dealers. (Cannon, McCarthy, and Perreault 2008, 48-49)

2.1.3 Promotion

Promotion contains the activities that take care of keeping the target consumers informed and tries to persuade them to buy the companies' products. This part of marketing mix might be oriented in various ways to achieve the different purposes. For instance, if a company makes an effort to keep the contemporary customers then it designs the propagation based mainly on their current consumers' needs and wants. (Cannon, McCarthy, and Perreault 2008, 50)

2.1.4 Price

Right after the previous Ps are all set, the managers have to come up with an appropriate price in which the previous Ps must be reflected. Furthermore, the selected price has to take into the consideration the competitive goods or services in the same segment and at least predicts how the feedback of consumers could look like. (Cannon, McCarthy, and Perreault 2008, 50)

2.2 Comparison of the Two Models – the 4P's versus the 4C's

Whereas the marketing mix that is consisted of four Ps represents the company's tools, the 4Cs is a model which is always linked to the customers. It is basically built on the identification with a customer who somehow perceives the four Ps and evaluates their appropriateness, complexness and so on. Kotler came up with the idea that if a company wants to use the marketing mix correctly, then it has to be perceived from the point of view of seller and the buyer simultaneously. As it was explained earlier, the product is the fundamental part of the marketing mix. But if the model of 4Cs is implemented, the

product becomes the value that the buyer acquires if he makes a purchase. Using the same model when speaking about the price, customer finds it as the total costs which include an acquisition price and the other expenses to the consumer. The third P – place changes into the customer's convenience and the last one – promotion – turns into the level of communication of a company with its customer. (Urbánek 2010, 41-42)

As a result of the implementation of 4Cs, the company is able to establish the value which is being expected by customers, the price that consumers are willing to pay, the level of comfort demanded by buyers and the communication on a certain quality (not only a basic promotion). (Urbánek 2010, 41-42)

3 SERVICES MARKETING

Kotler defined service as any activity or privilege that can be offered between two parties and he also claimed that its acquisition cannot be considered as the ownership. In the comparison with products, services are intangible, unstable, inseparable, and they cannot be stored. If the products are taken into consideration, they are manufactured, sold and consumed after the purchase is done, whereas if speaking about the services, the process differs. Service is designed and provided at the same time and at the same place as it is consumed by its buyer. Moreover, service is bounded to the collaboration between its provider and purchaser (for instance if the consumer wants to have his / her hair done by the hairdresser, he or she needs to be presented there). The role of marketing is therefore based on the mutual process between offering a service and its consumption so that the buyers could appreciate the value and quality of service that they bought. Speaking in general terms, the providers of services struggle to obtain buyers who remain devoted to them. (Zamazalová 2010, 351-353)

3.1 Marketing Communications Mix

Speaking about services, it is not only marketing mix that needs to be modified for them, but it is also applied to the marketing communications mix. Each provider of services is well-aware of the fact that it is very important that his or hers customers speak about the service they purchased complimentary. But such advertising is not enough. Therefore the marketing communications mix is being used and it is consisted of following parts – advertising, personal selling, public relations & publicity, sales promotion, events & experience and direct marketing. Communications mix is also used when promoting goods and if a company providing both goods and services wants to propagate itself, there are nowadays plenty of new trends which can be applied, such as guerrilla marketing, viral marketing, already mentioned event marketing and others. (Vašítková 2008, 133-135)

3.1.1 Advertising

Advertising may be considered as the most frequent part of the marketing communications mix because nowadays it is nearly impossible to avoid it. Such form can address many people but at the same time it is also less persuasive due to the fact that it is rather distant. Kotler and Armstrong defined advertising as any form of paid demonstration of product or service which is characterized as impersonal. The importance of such

promotion lies in the ability to reach wide audience that can be geographically spread while its costs are appropriate. (Zamazalová 2010, 262-263)

3.1.2 Personal Selling

In the comparison with the advertising, personal selling is consisted of rather face to face and personal communication and the effort to create close relationship with the buyers. Such relationship should last and as the result of that, the company and its products or services will obtain the convenient image that will contribute to the long-term promotion. (Zamazalová 2010, 275)

3.1.3 Public Relations & Publicity

Concerning PR and publicity as such, each business takes care of its relation to the general public and wants to ensure that the company is surrounded by the environment which is convenient for the striving for its goals. Each action of a certain firm can influence its image and that is the reason why there are whole departments dealing with the tools of public relations. In this case the term **public** refers to both current customers and those who the company wants to acquire; moreover, it also includes competition, suppliers, insurance companies and other subjects appearing on the market. (Tomek and Vávrová 2007, 243)

3.1.4 Sales Promotion

Speaking about the sales promotion, any marketing activity whose aim is to support the consumer behaviour to obtain goods or services is considered as this form of propagation. The usage of sales promotion has been increasing and the perks that it brings to the potential consumer are usually the reason why he decides to make a purchase. The effect of sales promotion is in the most cases carried out immediately which means that the management of a company can easily check how the promotion is reflected on the sales and based on that make decisions. When the sales promotion is implemented, it usually goes hand in hand with the orientation on the short-term goals. (Zamazalová 2010, 270-271)

3.1.5 Events & Experience

Application of this type of promotion in the marketing communications mix came up from the fact that people recall activities easier in the comparison to the content that they heard or saw because the human perception is limited. If this tool is used under the right circumstances, the message that is desired to be conveyed is supposed to be noticed and remembered. Unfortunately, the costs of such promotion are financially demanding

therefore the requirements on the efficiency are significant. Event marketing includes designing, organizing, implementation and supervision of the provider during the whole project. (Zamazalová 2010, 282. Tomek and Vávrová 2007, 240)

3.1.6 Direct Marketing

Struggling to create a permanent relationship with the consumers is basically the essential idea of the direct marketing. The companies using this mean of marketing communications mix request people to respond to their offering by means of mass media. The basis of described technique is tied to the well elaborated database of contacts. (Jakubíková 2012, 261)

3.2 Extended Marketing Mix – the 7P's

The original four Ps implemented by Edmund Jerome McCarthy in 1960 provided with the strategies that marketed only a product, but there was a need to deal with services as well. Services are unlike products non-material, impermanent, indivisible and they cannot be kept. That is the reason why there was a necessity to define a new approach which would take these facts into consideration. Booms and Bitner specified extended tools which will serve services and these are people, process and physical evidence. (Johnson 2016)

3.2.1 People

Speaking about the services, it is always a human who is in touch with customers and therefore the people hired and trained by a company have to be chosen conscientiously. It does not matter whether a firm seeks to recruit sales representatives or waitresses; in both cases it is essential to choose an employee who can give a good image in front of the consumers. (Johnson 2016)

3.2.2 Process

This process can be understood as an ability of a certain firm to deliver a service. In other words, consumers expect to obtain a good service and it is demonstrated by the efficient processes in the company that are undertaken by employees who are aware of how to do it. These processes should convince consumers to have the belief that the company is capable of dealing with any issues (for instance respectful communication with customers, dealing with complaints, warranties and so on). (Johnson 2016)

3.2.3 Physical Evidence

Physical evidence or in other words physical environment stands for the presentation of service to the consumer. This item of marketing mix will differentiate a business from its rivals. It can be clarified when you think of the café, customers expect neat environment, clean cups, no dirt on the tables and so on. Consumers based on such factors evaluate whether the environment is worth the visit and money or not. (Johnson 2016)

4 COMPETITION

Competition is defined as the condition where either individuals or businesses attempt to be more prosperous than the others, for instance by gaining higher profit. (Cambridge Dictionaries Online 2016)

Michael Porter claimed that the competition is the basic substance of either companies' prosperity or their setback. Companies tend to decide whether it is convenient to take an action that might make a contribution to their output according to the competition. Such action is for example introduction of clearance or some innovations. (Porter 1998, 1)

Another concept says that a firm has to offer better customer value and contentment from the product than its rivals to become thriving. According to this theory, sellers have to make more effort than simply meet their target consumers' desires. Furthermore, they must somehow place their sales against the competitors' ones in their customers' thoughts which ensure them a strategic advantage. The companies have to choose a rival marketing strategy that is most suitable for the certain enterprise, size and other criteria in order to acquire the competitive advantage. (Armstrong and Kotler 2014, 68)

4.1 Designing a Competitive Strategy

If a company set up its competitive strategy, it has to establish what means will be used against their rivals and furthermore, the goal of the company must be decided as well as steps leading to its achievement. In addition to that, each company has to take into the consideration the fundamental factors of competition. Two kinds of such factors exist:

- 1) Internal – includes the strengths and weaknesses of each company plus the level of expertise of the firm's employees.
- 2) External – which stands for an overall situation in the country, both political and economical. The consideration is also taken on the industry, technical opportunities and the influence of the state authorities. (Urbánek 2010, 158)

4.2 Porter's Competitive Strategies

As it was mentioned before, a company should come up with an optimal rival strategy in order to get a strategic advantage. The basic stone for designing such strategy is interconnected with the answers to these two questions:

1) Will the industry appeal to the consumers in the long-distance productivity and what factors are crucial for high profit?

2) What are the key factors that determine the mutual competitive positioning within a specific industry?

Michael Porter invented *3 crucial competitive strategies* according to the answers to these questions but he also pointed out that the answers itself are not enough. It is necessary to be conscious of the surrounding factors as well (both internal and external). (Porter 2004, 35. Urbánek 2010, 163-164)

4.2.1 First Place in Low Expenses

As it is evident from the title, a firm that undertakes this strategy put an emphasis on the reduction of its expenses. The reduction may be achieved in the different areas of each company depending on their conditions. The savings may appear for instance in the power supplies, renting and so on. As a result of the savings, the companies lower their costs, the revenue is increasing and because of that, such businesses can afford to lower the prices of their goods and services which strengthen their position on the market. (Porter 2004, 35-37. Urbánek 2010, 164)

4.2.2 Distinction of Products

The differentiation of the goods and services belongs among another efficient strategy that can be demonstrated in various ways. Porter claims that this kind of strategy does not only mean to do the things differently, it is not sufficient. The firm has to be distinctive from the others and in addition to that, it must provide with something better. In case that a company chooses the described strategy, it has to be aware of the fact, that it cannot be combined with the strategy of low expenses because the innovations and differentiation costs tend to be high. Distinction does not only mean that a company invents a completely new product but it can also offer high quality products that come with a long-life. (Porter 2004, 37-38. Urbánek 2010, 165)

4.2.3 Focus

The strategy focus is used if a company pays its whole attention to the chosen segment of the market, a product, an unexplored market and so on. The previous two strategies differed because they were oriented on the whole sector of enterprise while the focus strategy pays attention to the selected object. The principle of this strategy is grounded in

the demonstration of the company which is able to produce the better goods than their competitors or that the chosen services for the specific sort of people can be provided more properly than if the rivals serve to the wider target consumers. The firms holding this strategy often declare that they can be devoted to their business in more detail than their non-focused competitors. Porter also highlights that if a company chooses the focus strategy, it can achieve lower costs (thanks to the discounts), distinction (for instance by luxury goods) or both. (Porter 2004, 38-39. Urbánek 2010, 165-166)

4.3 Competitive Advantage

Acquisition of a competitive advantage signifies that a business owns the advantage in a form of higher ability to compete with the other sellers. The competitive advantage may be also understood as the utility value that the company may create for their consumers. The utility can be measured and compared, for example by offering the same product for lower price or some extra bonuses for a purchase above a certain amount. Particular type of competitive either advantage or disadvantage may be employees of the company. (Urbánek 2010, 169)

4.4 Competition on the Market

Speaking about the market, the competition represents a conflict of interests of different subjects appearing there. The competition on the side of demand reflects the conflict between the buyers whose main desire is to obtain the largest amount of the cheapest goods regardless the other consumers. There are two possibilities that may appear on the side of supply – price or non-price competition. The first one is based on the offering some of goods for lower prices and due to that the company forces the competition out of market and the second tries to attract the customers through the different means such as innovations, promotion etc. (Urbánek 2010, 170)

4.4.1 Competitive Positions

Rivals may be divided into four categories according to the role they represent in the target market. Each of the following categories has the matching strategy which should be applied in order to maintain the firm's position or improve it. The most successful company is being placed on the position called market leader. As the appellation indicates, such company leads the others in the sense of setting a price, its techniques of distribution, promotion and so on. Leader is recognized according to the largest market share and plenty

of competitors who want to conquer its position. Companies that are classified as successful enough to attack the other rivals or even the market leader can be marked as the market challengers. The position of market challenger is typical for its aggressiveness and strategic goals. The next category is called market follower and the businesses which belong there do not struggle to compete the leader, but they are more interested in their own market share and seek the possibilities to acquire more of it. The last position to explain is a market nicher and such company is being focused on so-called niches (gaps in the market). The companies defined as nichers are usually smaller and want to perform in a specific area. (Laukamm 2016)

4.5 Porter's Five Forces Analysis

Michael Porter, who defined competitive market environment and the effect of individual forces inside of it, came up with a belief that 5 such forces exist. He stated that there are potential and current competitors, suppliers, buyers and the products which can substitute company's offer – and all of these items have the ability to some extent interfere in the competitive environment which occurs. First of all, each potential competitor entering the market increases the rivalry. Regarding the suppliers, the fewer of them appear on the market, the better influence they have at their disposal. Buyers, on the contrary, become more powerful with the greater amount of them and the fifth force of Porter's analysis is the product or service that can substitute our offer and all of these items should be monitored and evaluated by individual companies. (Urbánek 2010, 166-167)

Businesses also have to consider the increasing power of the Internet as a medium that can influence the competitive environment enormously. The amount of competitors (both present and potential) emerging in the market happened to rise because of the Internet where many of them run a business as well. It can be also considered as the advantage because each company can do so and if it is successful, it can for instance conquer a new market. Buyers may thanks to the Internet search for more favourable prices or even substitutes that could serve them more efficiently. Buyers are no longer limited by the supply of local salesmen or boundaries of the country, or even by the time when they want to make a purchase. These conditions also influence the competitive environment and make it more emulative. The very last item which can interfere in the competitive environment through the Internet is suppliers. As it was already mentioned, the fewer suppliers appear, the larger impact they have. With the growth of the Internet as a medium,

it is much easier and less financially demanding to contact the potential purchasers of the products or services but it also raises the number of wholesalers, retailers or any other intermediaries.

5 BENCHMARKING

Benchmarking can be understood as a continual and systematic process in which some products, services, functions – generally speaking company's objects – are being compared with similar and significant firms in order to increase company's own standard. Objects of benchmarking can be classified into several branches such as goods, services, processes or functions. The task of benchmarking is to measure the objects, compare them to each other and evaluate them eventually. Except for revealing their imperfections, the process of benchmarking also seeks to find a solution to improve them. In a comparison with other analyses studying competitors, benchmarking is not only limited to the examination of competitors and market, but it is also concerned with own company, particular departments or even subsidiary companies. Furthermore, the benchmarking unlike the SWOT analysis provides with a problem solving. (Tomek and Vávrová 2007, 150-151)

5.1 Varieties of Benchmarking

5.1.1 According to the Category of Compared Partners

Two types of benchmarking can appear, either internal or external. Concerning internal benchmarking, its aim is to identify company's strengths and weaknesses with systemic and immediate means that can be used to create internal outputs. Company as a result of internal benchmarking can learn from the successful sections of its own business and standardize the less thriving parts. As it was mentioned before, the second category is called the external benchmarking. Such analysis is being taken if there is a comparison of different firms. It does not need to be only the competitive companies but also some firms from the completely different disciplines. (Tomek and Vávrová 2007, 150-151)

5.1.2 According to the Objects

If speaking about classification of the benchmarking by objects, then it should be associated with the output of an activity. Benchmarking deals with the factors of success that have either direct or indirect impact on the company's profit and that can be based on the statistics about costs and sales quantified. Specialization of benchmarking on a customer, product or service, function and process were established according to the classification on objects.

- A. Benchmarking oriented on the customers – the attention is paid on structure, wishes, expectation and satisfaction of buyers
- B. Benchmarking oriented on the goods or services – benchmarking is concerned with analysis of individual components and functions of offering product or service
- C. Benchmarking oriented on the function – an analysis of managerial functions such as planning, organization, decision making and inspection of particular constituents (for instance logistics).
- D. Benchmarking oriented on the process – benchmarking is focused on quality of individual processes that are in progress. (Tomek and Vávrová 2007, 151)

5.1.3 According to the Period of Time

Regarding the benchmarking that is classified based on the period of time, an analysis is focused on the operability and strategy. The operational benchmarking deals with rather shorter opportunities to improve the business, while the strategic one keeps searching for the better key items of overall tactics. (Tomek and Vávrová 2007, 151)

5.2 The Process of Benchmarking

Tomek and Vávrová pointed out that there are 4 main stages of benchmarking – organization and planning, collection of data, analysis and implementation. If describing the first stage, there is first of all an elaboration of concept, then establishment of a team followed by the selection of object and searching for some indicators and finally, choosing a partner that will be compared with our company. After the data is collected in the second phase, an analysis can begin. In the stage of analysis, it is crucial to determine the contradictions and right after that set the prognosis of development. The results of company's analysis are implemented in the last stage where the plan of activities is created and the outcome of benchmarking is in compliance with the plan put into practice. At this point no other stage follows but it is advisable to repeat the benchmarking on the regular basis. (Tomek and Vávrová 2007, 151-152)

The requirement for successful benchmarking is not only the elaboration of concept but there are also determination of organization, training of individual employees in the team and ability to come up with some methods of coordination and inspection. Besides, it demands a great flexibility of operations and plans because of new connections and

problems that can appear and that had not been considered before. (Tomek and Vávrová 2007, 152)

5.3 Benchmark Index

Benchmark index is reliable measuring tool that helps organizations to improve their efficiency. Index is being used all over the Europe and it is also the first European service that can serve for small and medium companies. The primary aim of index is to make quality benchmarking data accessible to the firms. All the company needs to do is fulfil the evaluation of itself and these data are afterwards compared in the database of Benchmark Index. Efficiency of the company can be compared locally, countrywide, internationally or in the particular sector of the economy. The final report eventually contains the areas that can be somehow improved. (Friedel 2016)

6 INTERNAL AND EXTERNAL MARKETING ANALYSIS

Each company is during its decision-making process being influenced by the environment in which it runs a business. Effects of the environment are either partially changeable or the companies have to put up with them if it is not the case. They cause from either inside or outside the company and each constituent of the environment influences the marketing decisions in a different manner. Depending on the degree to which a company can affect the power of environmental actions, there is a classification of marketing environment into internal and external. The internal marketing environment includes strategies, resources and techniques which a company uses in order to achieve its own aims. The external environment can be further divided into macro environment and microenvironment. (Baines, Fill, and Page 2011, 43. Světlík 1992, 20)

Microenvironment is composed of the customers, suppliers, distributors, competitors and wide public. Constituents of microenvironment form the way a company achieves its goals but the firms have at their disposal much more influence than in the macro environment. (Baines, Fill, and Page, 2011, 43-44. Světlík, 1992, 20)

Concerning the macro environment, it is consisted of economic, political, technological, social, legal and environmental effects that have an impact on the situation and the decision-making process of a whole company, but they also affect the microenvironment of the corresponding company. Macro environment is hard to be directed by businesses and therefore it bears a risk. (Baines, Fill, and Page 2011, 43-44. Světlík 1992, 20)

6.1 PESTLE Analysis

PESTLE analysis serves for a better understanding of macro environment which is unable to interfere in because it is consisted of external institutions that are out of company's influence. Factors of macro environment can be divided into several groups – political, economic, social, technological, legal and environmental. The title of described analysis comes from the initials of individual items. Listed factors are formed by the external institutions and from the point of changeability they are in a short term constant. (Zamazalová 2010, 105-106)

6.1.1 Political forces

Political forces are of a great influence because of the country's stability and the attitude of government to the market and firms as such. Besides, the structure of state costs, tax system, or the security of firms are in the company's interest as well. From the negative point of view, there are also influences such as nationalization or the risk of war and so on. Political factors are closely tied to the legal ones. (Zamazalová 2010, 108-109)

6.1.2 Economic forces

The most observed factor from this field is a buying power of market and consumers, plus obviously, the impacts that modify them. Economic forces include the rate of wage growth, the amount of savings, accessibility of loans or consumers' confidence in the economy and currency. Nowadays, companies have to adapt to new situations on the market because of the changes in various economies and globalization. Named forces have the influence on the structure of offerings, the company's strategy, the development of products and so on. (Zamazalová 2010, 107-108)

6.1.3 Social forces

Social factors can be divided into two directions – cultural and demographic. The first ones are concerned with the specific features of a certain market and their subjects. Speaking about the culture, we should associate it with values, ideas and attitudes of a certain group of people. Culture is being transmitted among the generations and it is important from the point of marketing because of its development and the consumers' preferences. On the contrary to the cultural forces, the demographic ones define population as a whole. Such forces track the size of population, its distribution, composition and other characteristics. Discovered data then serve to the marketing employees to analyze the segments, regulate supply and marketing communication, or generally speaking, to contribute to the success of the company. (Zamazalová 2010, 106-107)

6.1.4 Technological forces

Technological development is accelerating and its importance for the ability to compete other companies is growing. It is concerned with patents, differentiation of products or services and so on. The financially strong companies that run business on international level have the advantage over the small ones. It is caused by the financial demands that tracking and adjusting to the pace of development require. Therefore, one

could say that the smaller companies try to find some breakthrough solutions. Rapid technological and technical development does not provide small companies with the ability to compete the bigger ones, but if they are capable of adopting some trends immediately, then it can help them to appeal a new market. (Zamazalová 2010, 107)

6.1.5 Legal forces

The legal factors are mostly concerned with various laws dealing with businesses. For instance, there are laws defining the existence of firms and markets, laws providing the consumer's protection, national employment laws, or law-enforcement as such and many others. As it was already mentioned before, the legal forces are closely tied to the political ones but the difference between them exists. Whereas the political forces are connected with approaches and attitudes, the legal ones refer to those that have changed into laws and regulations. (Zamazalová 2010, 108-109)

6.1.6 Environmental forces

The last letter "E" stands for the environmental factors which may be understood as the natural conditions or simply environmental surroundings in which a company exists. To provide with an appropriate example, there are included the limited natural resources, recycling, disposal of garbage and so on. The trend of modern word is running a company eco-friendly, not only because of the realization of scarcity, but to get a better image. (Zamazalová 2010, 106)

6.2 SWOT Analysis

Concern of investigation of the SWOT analysis is the company's internal and external environment. Generally speaking, a business has to be aware of its own strengths and weaknesses (internal properties) and it also has to observe the opportunities and threats that influence the income of entrepreneurship and belong to the macro environment which can be hardly affected. Title of the analysis being described comes from the initial letters of individual units. (Kotler 2001, 90-92. Bartes 2011, 25-26)

6.2.1 External Analysis

Companies should keep an eye on the decisive forces of macro environment such as economic, social, legal, technological and so on. Besides that, they should monitor and evaluate the developing trends so that they were able to recognize an upcoming

opportunities and threats. Marketing opportunity can be understood as an area of customers' needs that can cause a profit to the company if it is satisfied. Opportunities may be classified with the respect to their probability of success and attraction. Marketing threat is a situation that appears if the developing trend in the external environment is undesirable and which could put the company's sale or profit in danger. External part of SWOT analysis is being evaluated by the EFE Matrix. (Kotler 2001, 90-91)

6.2.2 Internal Analysis

Elements of the internal analysis are strengths and weaknesses of a specific company. Analysis studies both components with a respect to the rivals' products, which can indicate that even though the companies' products are almost equal, the weaker product is immediately classified as the weakness of the particular company. Weakness is generally described as an element that can interfere with the company's success while strength is being understood as an advantage that may help the firm to achieve its goal. The internal analysis is being assessed with use of the IFE Matrix. (Kotler 2007, 98)

6.2.3 Evaluation of SWOT Analysis

The evaluation of internal forces is accomplished thanks to the **IFE Matrix** which is done based on the relation to the company's object. IFE Matrix evaluates firm's strengths and weaknesses. In comparison to the IFE Matrix, the **EFE Matrix** assesses the company's opportunities and threats and the task of such evaluation is the identification of external forces that have a radical influence on the company's object plus their impact is in the same time spin as the object which is desired. (Jakubíková 2012, 131-132)

6.3 SPACE Matrix

An analysis which is designed based on the features of the particular company with emphasis on the indicators of productivity and knowledge of the environment in which the business operates. After the evaluation of such characteristics, the matrix can be assembled where the individual quadrants stand for following: 1 – aggressive, 2 – competitive, 3 – defensive and 4 – conservative. Each section is typical for its recommendations that a company should follow afterwards. (Fotr 2012, 70).

II. ANALYSIS

7 THE EVENT AGENCY XY

7.1 Brief History of the Agency XY

The examined event production agency was established in 2002 by the transformation of another company that was concerned with the events as well. At the very beginning, the company did not really appear in the Czech market but in the neighbour states such as Austria and Germany, until they acquired some experience and positive feedback from there. Nowadays, the Agency XY (as it will be called because of its anonymity) appears both in the Czech Republic and abroad while its headquarters is placed in Zlín.

7.2 Structure of the Company

Speaking about the permanent employees there are 3 of them – executive director, head of marketing department and event coordinator. The role of the executive director is mostly concerned with the organization of company as such, he has to meet the clients, issue invoices, deal with the authorities, attend the events so on. Head of marketing department takes care of the company's database, suppliers, interns and external employees as such, plus the entire marketing activities. The third permanent employee is the event coordinator whose job is to deal with assigned tasks, for instance the acquisition of clients by phone calls, participation in the preparation of individual events, creation of newsletters etc.

Unfortunately, the company does not currently have a sufficient amount of event managers who would be in charge of individual orders, design the program, obtain the performers and so on. Nowadays, the position of event manager is executed by both the head of marketing department and the executive director, or even by the external coordinator with whom the company collaborates. As it was already mentioned, there are 3 permanent employees but many externals. The company cooperates with the graphic artists (websites, catalogue and other promotional instruments are mainly their work), accountant, photographers, cameramen, hostesses, performers, interns, temporary workers and so on. The company keeps relation with the verified externals so that they can continue the collaboration when it is convenient. If there is a lack of external employees during the large demand of events, the agency requests university students whether they are interested in a part-time job through the networking, school notice boards, social media and so on.

7.3 Target Customer

The agency is mostly focused on the enterprises because they do the business most frequently with them. Except for the companies, there are also individuals (demanding celebrations, weddings etc.), cities (requesting markets, festivals and so on) and shopping malls that are in agency's interest. If the most frequently purchased services are taken into consideration, the Agency XY usually implements the Christmas parties, firms' anniversaries and family days. According to the enumerated services, *the portrayal of convenient target customer* is following – firms with at least 30 employees (but medium sized companies are more common) with emphasis of top management or holder on the good relationships on the workplace. The typical feature of such companies is also a concern for the employees' families and their well being. The second prototype of target customer is the shopping mall which is often holding events such as introduction of new products, fashion shows, family days and so on.

8 MARKETING MIX OF THE AGENCY XY

The selected Agency XY offers services and that is the reason why the following chapter will describe the extended marketing mix 7P's which is adjusted to them.

8.1 Product

The company offers various types of **services** associated with events, marketing campaigns and planning as such and these items can be divided into the following units:

1) Thematic events – an emphasis of the whole company is put on its creativity and that should be reflected in their work. The thematic events offered by the agency struggle to be authentic and most of all – prepared as the customer desires them to be. The themes are usually based on some specific periods of time (for instance the gothic feast, Egypt in the era of Cleopatra and plenty others), diverse cultures (such as Brazilian carnival, Japanese Geishas, Oriental party etc.), movies and books or diverse subjects. And yet, agency is able to carry out whatever the clients imagine even though it is not in their offer.

2) Event management – is concerned with the large scale events such as family days, town festivities, weddings, children's days and so on.

3) Event management for entrepreneurs – such events are being undertaken the most frequently and there are usually Christmas parties, teambuilding, opening parties, anniversaries, conferences, meetings etc.

4) Cultural events – which are for instance concerts, theatres, fashion shows, proms and others.

5) Advertising campaigns & PR services – design of company's promotion and public relations program.

6) Supporting services – catering, rental of spaces and technical support (Website of the Agency XY 2016).

8.2 Price of Product

The amount of money that is a client willing to invest into the event or service provided by the agency XY is set by him or her at the beginning of the collaboration. The client also describes its requirements, ideas and how the project should look like and based on this information, the agency designs the layout of the particular event which is worth the amount that the customer granted earlier. If the client is new, a deposit is required. The percentage of the deposit differs according to the size of event and individual agreement

but it is in the range of 30 to 50 percent of the total costs. The rest of the price is repaid after the particular event (most frequently 2 weeks, 1 month or 2 months later). If the collaboration is repeated, the discounts are implemented but it is mostly concerned with the lucrative and larger companies.

8.3 Place (Distribution)

The company is capable to arrange an event basically everywhere in the Czech Republic, furthermore it has already done some events in the different countries (in Austria, Germany, Slovakia and Denmark) and it continues offering them abroad as well. The executive director meets a client to arrange the details of the event where it is convenient for her or him. Concerning the event itself, it is the same scenario – the customer suggests the area, place, hotel, city or generally location and the agency takes care of the rest of it. The distribution is performed by the company's own means; both internal and external capabilities are being used.

8.4 People and Promotion

People, either internal or external are included in the chapter Structure of the Company (7.2). The part dealing with the promotion can be found in the section called Marketing Communications Mix of the Agency XY (chapter 9).

8.5 Process

The process of service delivery by the Agency XY looks as follows – firstly, an employee of the event agency meets a client to agree on the details and requirements. If the both sides come to an agreement, the contract is signed and the agency starts planning the event. The deposit is collected and if the client is satisfied with the layout of organized event that the agency designed, then the event is ready to be undertaken. The event manager, performers, temporary workers, photograph and others who are somehow involved in the event are participated and they all ensure that everything is running smoothly. When the event is over, the purchase is settled and the agency asks for a feedback and it also keeps trying to be in collaboration with the client in future. The agency's attitude is established on the personal relationship with customers.

8.6 Physical Evidence

The environment surrounding the client is in the most cases the environment where the event takes place. It depends on the particular requirements of buyer but in the most cases it is held in the hotels, cities, exhibition grounds and so on. The agency adjusts the environment to its customer (provides with catering, projector, appropriate accommodation etc.).

9 MARKETING COMMUNICATIONS MIX OF THE AGENCY XY

9.1 Advertising

The agency XY makes use of the advertising tools such as website and radio. The company's website informs the customers about the services that the agency offers, projects that they realized, references of clients and visitors can also download the catalogue of almost countless types events. Besides, there are placed the contact data and online form for non-obligation offer. The company's website is probably the most powerful tool of its promotion. Except for the website, the company broadcasts the spot in the radio Evropa 2 which can be heard four times per day and it has its own page on the Facebook.

9.2 Personal Selling

The company made use of personal selling at the trade fairs where the agency XY had its stand and obtained few clients. Besides, the executive director always tends to meet the potential clients face-to-face because it is easier to illustrate the willingness to design an event that the client imagines and make a closer relationship. One of the most frequent techniques of personal selling in the Agency XY is the company's call centre. The call centre as such does not exist because it is practiced by the event coordinator and some interns but making some calls to potential clients proved to be profitable.

9.3 Public Relations & Publicity

Public relations and publicity techniques are not being used by this event agency frequently, but they have just started to take advantage of the social media to post about the particular events that they held. Namely, the event Agency XY has created its own page on the Facebook but they do not post on the regular basis.

9.4 Sales Promotion

Sales promotion is being practiced by this agency through the 2 facilities. Firstly, it is done by the sales that repeated and significant clients receive and secondly, the company uses the methods of search engine optimization (SEO). This technique helps the Agency XY to be placed in better positions on the Internet and therefore they can be found there more easily.

9.5 Events & Experience

The following tool of marketing communications mix is both used and not used at all. Events and experience are essential for the entrepreneurship of the Agency XY because they are being hired to design them for someone else but at the same time, the company does not create any just to promote itself. Of course, the events that the agency holds are being talked about which already makes a promotion but it is rather the word of mouth marketing. The crucial fact is that without events and experience, the agency would not exist because it is the reason why they run a business.

9.6 Direct Marketing

Concerning the direct marketing, the analyzed agency uses the Smart Emailing to contact the customers from its database. The emails are sent every single month once (rarely twice) and they contain the company's newsletter. Apart from the newsletters, the Agency XY connects with the customers through the tenders that they find on the Internet or straight from the companies that invite them.

10 PORTER'S FIVE FORCES ANALYSIS OF THE EVENT AGENCY

XY

The following Porter's analysis determines the five forces which have an impact on the Agency XY, namely suppliers, buyers, substitutes, existing competitors and new entrants. This section describes the individual factors and set what threat it represents for the Agency XY.

10.1 Suppliers

The event Agency XY attempts to keep the proven suppliers with whom they have already collaborated because of their reliability. The price of services may be influenced by them if they negotiate the higher prices. Yet the worse possible scenario is if they reduce the quality of supplied components. The analyzed event agency has a great number of long term suppliers but in the case of artists (for instance well known celebrities, moderators etc.) it is dependent on them, especially if the client requires a particular band or performer.

10.2 Buyers

Buyers of services from this agency are in the most cases companies, less frequently individuals. The services of the agency are very often being improved according to their customers' feedback and concerning the price, if the demand is scarce or the client is significant, they can also have an influence to lower the prices. The agency XY has 13 years experience and it has already acquired some lasting collaborations with its clients, therefore also the threat that the buyers represents is not that relevant.

10.3 Substitutes

The popularity of various events has been increasing during the last few years thanks to the higher standard of life but the agency XY has already noticed that some companies are either likely to hold their events by themselves or they appeal to the travel agencies instead. Travel agencies can be considered as agencies' substitutes because if the top management is taken into consideration, they are often hiring them to arrange teambuilding in mountains or so on. Threat of the described substitute is not high but the Agency XY should keep improving its promotion to raise the awareness among wide public.

10.4 Existing Competitors

Contemporary competitors of the Agency XY in the Zlín region are described and analyzed in the following chapter (11) but in general terms, the whole industry faces the high number of competitors who are offering more or less the same services. From that reason, the agency XY should do its best to retain each client with whom it cooperates and keep acquiring new ones in order to compete with others. The threat that is represented by the existing competitors is high despite the fact that the Agency XY nowadays prospers.

10.5 New Entrants

Not only the region but also the Czech market as such is saturated by event companies but the new competitors are and always will be established. Concerning the Agency XY, it should take the same attitude as against the existing rivals – it should appreciate its current clients and never stagnate because otherwise, the new entrants or present rivals could take the advantage of that. The importance of this threat is due to that as high as the previous one.

11 ANALYSIS OF THE AGENCY'S COMPETITORS

The analysis of competitors provides with the list of competitors who come from the Zlín region just like the Agency XY and whose character is corresponding with an analyzed company. Furthermore, there is one more competitor who is not in the same region but it is significant in the Czech standard and it is listed there for the comparative purpose.

11.1 Agency Devět měsíců, s.r.o.

This agency also comes from the city Zlín and it offers basically the same variety of services as the Agency XY – turnkey events either for individuals, companies or wide public, developing advertising campaigns, catering, rental spaces and furthermore, they have a database of hostesses which can be hired for clients' events. The agency XY also offers hostesses for its events but the catalogue does not mention of them at all. Even though there are some exceptions, this company mostly holds the events in the region of Moravia. (Devět měsíců 2016)

11.2 Agency Honza Sedláček

The agency is distinctive by the emphasis on its production activities. It is mostly concerned with the entertainment programs in shopping malls, balls, town festivals, road shows and so on. Honza Sedláček himself is the presenter with several years of experience and thanks to the fact that he is also the executive director of Radio Ruby, the agency has a great promotional support. In general, the agency deals with the entertainment programs but it does not offer the events as such. (Agentura Honza Sedláček 2012)

11.3 Agency Velryba, s.r.o.

Event marketing agency Velryba has its company address also in Zlín and it offers the same range of services as the Agency XY (turnkey events for everyone, technical support, catering, rental of spaces, production of program and so on). The agency has been already running for 20 years which speaks about the great experience it has in the event management. Their working attitude is that they do not design the same events over and over again but they struggle to make each of them an original work. The company has realized the events in different locations of the Czech Republic and abroad which contributes to their professionalism. (Agentura Velryba, s.r.o. 2013)

11.4 Agency Publicity, s.r.o.

The company focuses on the preparation of social, cultural and sports events that are in the most cases hold in the Zlín region. The agency designs companies' events, teambuilding, opening of shopping malls and others. Apart from the events in the Zlin region, Publicity has also created rather long term collaboration with the STOP.SHOP who runs number of shopping malls and this agency had the pleasure of opening some of them even abroad (Slovakia). The agency also sells the printed material for marketing purposes, arranges the catering, hostesses and provide its clients with the overall service in the event management. The agency comes from Zlín as well. (Publicity, s.r.o. 2016)

11.5 Agency September

September is specific by the fact that it stands for the number of revivals' bands such as Beatles Revival, Abba Revival, Queen Revival etc. Furthermore, the company also holds the cultural and social events and sells the tickets for them (theatres, town festivities and others). As the drawback of the agency might be considered the fact that the company's website does not state clearly what their full offer is. The agency has its headquarters in Zlín. (September 2014)

11.6 Arts, Production and Modeling Agency Iva Janálová

The agency of Iva Janálová has been appearing in the market from 1991 and it is specialized in the production of companies' events, balls, social events, children's days, fashion and entertainment shows. It is also capable of designing a wedding, conference or private party and all of these occasions are offered as the turnkey projects. Speaking about the region Zlín, the agency has a close tied cooperation with the Zlín Film Fest which is held annually. The company offers catering, hostesses, various artists that the agency collaborates with and the classes of modeling. (Iva Janálová 2016)

11.7 Czech Arts Agency Pragokonzert Bohemia, a.s.

Pragokonzert is well known agency because of its establishment in 1959 and thanks to that it is the oldest agency dealing with the entertainment events within the list. The agency is mostly concerned with the representation of either Czech or foreign musicians, presenters or any other artists. It produces concerts, theatres, festivals and it is also known as the biggest producer of shows for children in the Czech Republic. If speaking about the

extensive events as those mentioned, the agency is very popular. But it is not specialized for companies' events with rather small amount of participants. It has also a great image among the people because of its work for charity. The place from where they run a business is Zlín. (Pragokonzert 2016)

11.8 MPV Events

The Prague agency which is if speaking about the variety of services basically the same as those already mentioned, yet it is completely different. Clients are already during the visit on their website tempted to hire them because they basically promise them to strengthen the relationship with their customers and within the working teams, acquire new contacts and communicate with the public more efficiently. They have realized number of large public festivals such as Ladronkafest, Apres Ski Praha, Město na kole and worked with the companies like ČEZ, ČD, Kooperativa, BRIT and so on. Such events and clients already proved their uniqueness not only on the Czech market but internationally, furthermore the agency set off its own blog which contributes to their value. (MPV Events 2015)

11.9 Comparison of the Listed Competitors

Based on the listed characteristics of agency's competitors, it is evident that the competitive environment is in the event management at the high level and most of the agencies offers more or less the same services. If the scale of offered services is compared, the Pragokonzert agency is the most experienced and desirable candidate for the production of events that are meant for the large public such as festivals and concerts. Based on the international demand, only the agencies Velryba s.r.o., Publicity s.r.o., MPV Events and the Agency XY has some experience there. According to the character of lucrative clients and significant events (both for small and big audience), the Prague agency MPV Events is outstanding.

12 BENCHMARKING

As the theoretical part explained, benchmarking serves the company to be compared with its main rivals and it also suggests some ideas how the situation could be improved. In the following part, the event Agency XY will be compared with its competitors that were listed in the previous chapter. The comparison will be undertaken according to some tools of marketing mix which can influence the decision-making process of customers. The criteria will be range of services, promotion and distribution of the particular agencies. The price will not be compared because it is up to customers to decide how much money they are willing to invest and according to that, the concrete event is designed. The classification is subjective and the given points will be given in the range of 1 to 5 (where 5 is the most sufficient and 1 stands for the worst property). An outcome of benchmarking will be the examination of agency's strengths and weaknesses that will be utilized afterwards during the IFE matrix.

Agency	Variety of services: Events	Variety of services: Catering	Variety of services: Technical equipment	Distribution	Promotion	Total points
Devět měsíců, s.r.o.	5	5	5	3	4	22
Honza Sedláček	3	1	3	3	4	14
Velryba, s.r.o.	5	5	5	5	5	25
Publicity, s.r.o.	5	5	5	5	3	23
September	2	1	3	3	4	13
Iva Janálová	5	5	5	3	3	21
Pragokonzert Bohemia, a.s.	3	1	5	4	5	18
MPV Events	5	5	5	5	5	25
Agency XY	5	5	5	5	4	24

Table 1: Benchmarking (own processing)

If the catering is offered by the agency, then it was evaluated by 5 points, otherwise the agency got only 1 point. The same scenario is implemented if speaking about the technical equipment but in this case, each agency is able to ensure the devices for the particular event that they decide to realize, but the two of compared agencies with the less number of points are not capable of designing all kinds of events and therefore they are not even able to provide with the necessary equipment for them. Concerning the distribution, 5 points were given to the agencies that have among their referees a customer from abroad and therefore they have realized an event internationally and they have some experience to do so.

As the column of the total points demonstrates, there are two agencies that obtained the top rating which was 25. In the Zlín region it was Velryba, s.r.o. that is capable of realizing an event for almost everyone with many genres and it also offers catering and necessary equipment (both in the Czech Republic and abroad). The improvement by agency XY should be done in the field of promotion; they should be at least as active on social media as Velryba, s.r.o. and if there are some financial means, it should also run a sponsoring as them. The second rival which was evaluated as the agency's largest competitor is MPV events whose headquarters is located in Prague. Despite the both top rated agencies obtained the same number of points, there is a great difference between the two of them – MPV is a frequent winner of tenders, it has already served plenty of events internationally and except for the great marketing campaign, it also runs its own blog about events as such. The work which is done by MPV can be therefore used as an inspiration for each of the listed agencies.

As the result of benchmarking, the Agency XY should implement some better promotional tools to approach the wide public as Velryba, s.r.o. through the active contributions on social media. Besides, it should also observe some events of MPV events agency because their innovative ideas which are also published on their blog are the reason why they win tenders so frequently. MPV events has the great advantage that they obtained number of business partnerships and thanks to their financial support, they are able to design some events for the public (for example family day in Prague - Náplavka) which serve as the great advertisement of the agency. The Agency XY could therefore also design an event for the public and present it to its most-frequent clients if they are interested to support it in return for some sales, promotion and other perks from the agency.

13 PESTLE ANALYSIS

The PESTLE analysis will demonstrate some factors of macro environment which surround the Agency XY and whose change influences the agency itself. The Agency XY is located in the Zlín region but it operates across the whole Czech Republic, furthermore internationally. Because of that, the following factors will be mentioned from the regional point of view and from the national as well.

13.1 Political Forces

Regarding the political factors, the tax system (for instance the corporate income tax, consumption tax, social and health insurance etc.) belongs among the company's highest costs. The changes of these rates influence the profit as such and therefore it is advisable to be prepared for their growth and have some amount of money in reserve. Apart from the tax system, there is also the threat of economical instability which can be for example caused by the approval of euro that would, according to some economists, result in the higher prices. The Agency XY comes from the county town whose office published a document dealing with the development of local area which is originally called Program rozvoje Zlínského kraje 2013 – 16 and which is being followed by the local leadership. The mentioned document is for example concerned with the marketing assistance in foreign markets or there is also a section about the assistance of Zlín region during the searching for new business partners, both of these options could be used to improve the current competitiveness of the Agency XY. The document is also dealing with the worsening discipline of both companies and individuals about the environmental issues and due to that the local leadership wants to improve the waste separation which will affect the analyzed agency as well. (Zlínský kraj 2016)

13.2 Economic Forces

Concerning the economic forces, the Agency XY is mostly concerned with the average salary, prices of oil and development of unemployment and inflation. The average inflation rate in 2015 was 0.3 % and if speaking about 2016, the Czech Statistical Office has so far revealed the data for the first two months which was identical (0.4 %) and the predictions for the whole year are supposed to be similar to 2015. According to that, the companies will probably keep using the bank loans. The average salary increased from 26 611 CZK (2015) to 27 006 CZK in 2016 and on the basis of that, there is a better purchasing power

of inhabitants. Moving on to the unemployment, the average rate in the Czech Republic is 6.3 % in the end of February which belongs to the lowest rates in the whole Europe. The trend of lower unemployment rate and higher salaries has already brought some results and the Agency XY has noticed that the demand for events is a bit higher. (Český statistický úřad 2016)

13.3 Social Forces

If the social forces are taken into consideration, the Agency XY is not having concerns about the level of education among people, because the events they design are both for the top managers and workmen. But the standard of life has, on the other hand, great influence – the higher it is, the better the demand for events. From this point of view, it is suitable to respond operatively and either take the advantage of it or recognize whether it is appropriate to offer a cheaper events.

13.4 Technological Forces

The analyzed Agency XY is during its entrepreneurship dealing with various technologies such as sound system, scene lighting, simulators, video projection mapping and so on. From that reason, the Agency XY has to be aware of technology that is nowadays desirable. The observation might be done through the Internet or other media but it is essential not to stagnate.

13.5 Legal Forces

Some legal forces exist that comes from the regional bureaucracy and that need to be obeyed. Following public notices were issued by the city Zlín and they are in the agency's interest – the public notice n.5/2012 dealing with the opening hours of some entertainment businesses, the public notice n.12/2005 that is concerned with the fire safety during the events participated by higher amount of people or for example the public notice n.8/2005 where was written about conditions of placement of the promotional facilities. In general, the agency XY needs to observe regulations that appear in the macro environment. Except for the regional regulations, there are plenty of others that have an impact on the national basis such as Labor Code etc. Either the regional or national restrictions, they both must be observed. (Magistrát města Zlína 2016)

13.6 Environmental Forces

There is a mild climate in the Czech Republic but it is still unpredictable which makes the realization of events more difficult. If the Agency XY designs an event outside, they have to prepare the backup plan just in case it is raining. Thanks to that, the rental costs are higher and the organization happens to be more complicated but each event agency has to take the weather into consideration. Furthermore, the pressure to preserve the environment raises and the Agency XY could help at least in the form of CSR, by the purchase of products with the fair trade mark and by separating the waste properly.

14 IFE & EFE MATRIX OF THE AGENCY XY

14.1 External Forces Evaluation

In the following part, it is essential to choose some of recognized threats and opportunities that have fundamental impact on the intention of Agency XY and whose activities are identical to the time spare of the plan to achieve the selected goal. The table was assembled for external forces (threats and opportunities) by classification of weights in the scale 0.00 to 1.00 where the points were given according to the importance on the intention of the Agency XY. The individual points stands for – 1 important threat, 2 less important threat, 3 less important opportunity, 4 important opportunity. The selection of both threats and opportunities is recommended to be symmetric. After the calculation of individual scores, the total evaluation is set and such number shows what the perception of the company's intention on the external environment is. The number itself belongs within the range from 1 to 4 where four stands for the high perception on the external forces and one low. The average perception is about 2.5 in total. (Fotr 2012, 41-43)

Opportunity / Threat	Force	Weight	Level of importance	Score
O1	Rising demand for event management	0.12	4	0.48
O2	New tenders in the market	0.16	4	0.64
O3	Bankruptcy of competitors	0.07	3	0.21
O4	New technologies to acquire	0.12	4	0.48
T1	Changes in the Czech tax system	0.14	1	0.14
T2	Introduction of new legislation (being more eco-friendly)	0.07	2	0.14
T3	Changes emerging from the European Union	0.14	2	0.28
T4	Vast number of competitors	0.18	1	0.18
In total		1.00	2.55	

Table 2: EFE Matrix (own processing)

14.2 Internal Forces Evaluation

The aim of IFE matrix is the recognition of agency's strengths and weaknesses in its operating areas such as marketing, management, finance, production and others. The process of creation of the IFE matrix is similar to the previous analysis (EFE) but the evaluation of individual forces stands for following – 1 less important weakness, 2 important weakness, 3 less important strength, 4 important strength. The overall evaluation signifies the internal position of the Agency XY in the comparison with its intention. As the strong internal position can be understood the evaluation by 4 and on the contrary, 1 stands for the weak placement. The average internal position is being perceived as 2.5 in total. (Fotr 2012, 43-45)

Strength / Weakness	Force	Weight	Level of importance	Score
S1	Flexibility to comply with client's ideas	0.18	4	0.72
S2	Variety of services (events, catering, equipment)	0.09	4	0.36
S3	No limits in the sense of distribution	0.20	4	0.80
S4	Years of experience	0.05	3	0.15
W1	Insufficient promotion	0.13	2	0.26
W2	Difficult differentiation from offer of competitors	0.08	2	0.16
W3	Need for more permanent employees	0.17	2	0.34
W4	No price list	0.10	1	0.10
In total		1.00	2.89	

Table 3: IFE Matrix (own processing)

14.3 Evaluation of Analyses by SPACE Matrix

The agency XY came out from the both analyses (EFE & IFE) above the average but if speaking about the external factors, its position is only a slightly better (2.55) as the

recommended average which should be somehow improved. On the contrary, the internal forces were evaluated by 2.89 which is sufficient enough. SPACE matrix observes the individual results of IFE & EFE assigned to quadrants and their intersection creates a new point which is crucial for the establishment of appropriate strategy.

Opportunities	4	Conservative		Aggressive	
	3			●	
Threats	2	Defensive		Competitive	
	1				
		1	2	3	4
		Weaknesses		Strengths	

Table 4: SPACE Matrix (own processing)

Fotr claimed that the **aggressive strategy** is typical for the company which is strong and it has already achieved some good competitive qualities. Moreover, the industry in which such company operates is supposed to be stable. The recommendations for the Agency XY are based on the results following: acquisition of new markets, development of services, further differentiation, integration and so on. (Fotr 2012, 70-76)

15 SWOT ANALYSIS OF THE AGENCY XY

As it was already described in the theoretical part, the SWOT analysis deals with both internal and external environment. The factors which were used in the previous analyses such as IFE and EFE matrix were classified as those with the highest influence on the agency's operation. Except for them, there are some more factors which will be also categorized in the following chart and after their close examination, the appropriate strategy will be chosen.

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Efforts for constant innovations • Flexibility to satisfy client's wishes and ideas • Variety of services • Convenience of clients (distribution everywhere) • Great experience • Long term collaboration with some suppliers • Sales for loyal clients 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Insufficient propagation • Weak differentiation from competitors • Need for more employees (one more event manager) • No price list available • Dependency on intermediates that provide with place, actors, musicians etc. • Location in rather smaller city
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • New tenders in the market • Rising demand for event management • Technologies • Higher salaries & lower unemployment • Bank loans with lower interest 	<p>THREATS</p> <ul style="list-style-type: none"> • Changes in the Czech tax system (higher taxes) • Higher amount of competitors • Changes established by the European union (Eurozone) • New legislation concerned with ecology • Decrease of competitors' prices

Table 5: SWOT analysis (own processing)

15.1 Chosen Strategy

There are 4 strategies which can the Agency XY use – SO, WO, ST, and WT and if the previous analyses are taken into consideration, the strategy WO is evaluated as the most convenient one. If the strategy WO is applied, the Agency XY should improve its weaknesses and take the advantage of opportunities which appear around. Some of the listed weaknesses are hard to change (for example location) but the event Agency XY could at least make the promotion better and hire a qualified event manager. Apart from the weaknesses, the opportunities which could be also used by the analyzed agency are for example higher focus on tendering procedures and acquisition of new clients when the standard of life is increasing. (Dvořáček and Slunčík 2012, 15)

16 SUMMARY AND SUGGESTIONS FOR THE IMPROVEMENT OF COMPETITIVENESS

16.1 Overview of the Analytical Section

The beginning of the practical part was concerned with the introduction of the event agency XY, its marketing mix and means which are used in order to promote itself. After the examination of marketing communications mix, it is clear that there are already some limitations which could be improved. Namely, the agency XY should start using *public relations* more frequently which can be done through *social media* where the costs are minimal. In order to create a good image of the agency and get into the minds of people, it could also use *sponsoring* and support for instance some of their clients' projects which would also create a closer collaboration between the two parties. If speaking about the sponsoring and the good image of the company, it is crucial to present the agency appropriately and support of a charity could also be beneficial.

After the marketing communications mix, Porter's five forces analysis was undertaken where the threat of individual forces was identified. The following section dealt with agency's competitors. The listed rivals come from the region Zlín as well, only the MPV events operates in Prague but it was listed there to provide with the example of significant company in the identical industry. The agencies were compared according to some criteria of marketing mix (which means that the internal forces were compared) in the benchmarking and it was proved that there are more or less the same services being offered by all agencies and the difference is done through the promotion or distance where the particular agency distributes. As the most successful competitor in the Zlín region was evaluated agency Velryba, s.r.o. that surpassed the Agency XY by its promotion. Besides, the Prague agency MPV was also evaluated by the highest number of points and all agencies could take the inspiration by its work because it is full of innovations. Following part dealt with the PESTLE analysis that examined external forces that have an impact on the Agency XY and therefore they are of a great influence.

Benchmarking mostly provided the necessary data for designing the IFE Matrix and PESTLE analysis was the main source for assembling the EFE Matrix. The results from these two analyses were utilized in the SPACE matrix and the evaluation was that the Agency XY should follow the aggressive strategy. Aggressive strategy suggests that the further differentiation of services, their development, acquisition of new markets and

integration are recommended. The next chapter was concerned with the SWOT analysis where the crucial weaknesses, strengths, opportunities and threats were listed (mainly from the IFE & EFE matrix). Based on the SWOT analysis, it was suggested that the event Agency XY should *improve its weaknesses* and *take the advantage of the opportunities* in the external environment. The particular weakness, which was recommended again to be changed, was *promotion*. Apart from the promotion, the Agency XY should also *hire an event manager* who would make the work more efficient because right now the position is performed by more people which is quite inappropriate. The recommended opportunities were *tendering procedures* that can be profitable if obtained and more attempts of the company to *react on higher demand for events during the rising standard of life* within the society.

16.2 Suggestions for the Agency XY

1) *Raise the public awareness of the company*

Despite the fact that the Agency XY has its own web site, radio spot and page on the Facebook, the promotion should be still improved. Of course, the company has some long-term clients but if speaking about the wide public such as citizens of Zlín region, it is not so familiar among them. Firstly, it could be more active on its *Facebook page* and post some photos or videos from the realized events regularly and in case that the participants agree, tag them in order to spread the networking. Such type of promotion is basically for free, it only requires some time of the marketing people in the company. Regarding the time, the creation of a post or video takes only few minutes or one two hours at maximum and if they do so at least once a week, it could bring a benefit. Another way to become better-known among the public is to use *sponsoring*. The Agency XY could for example invest in the reconstruction of some charities or provide with the financial or material means for children's home in return for the agency's logo on their building, or good word published on the institution's web site. Using this type of promotion requires some extra money (tens of thousands of Czech Crowns) but during the period of Christmas parties or family days in summer, the resources are accumulated and the company's logo on such institution would be the long-lasting form of propagation (as long as the building is not renovated again). The risk it could possibly carry is that the chosen institution may require a repeated contribution in return for the logo and the Agency XY can find itself as unable to pay for it. The third option to become more familiar among the ordinary people is to

design an event for the wide audience such as children's day, market, workshop, festival in the middle of the city centre etc. The costs of this type of promotion would be high but the Agency XY could ask its long-term partners whether they want to support it in return for a sale, promotion and so on. Nevertheless, such type of promotion is not only expensive, but it also requires a lot of time of personnel to prepare it and approval of a certain city or enterprise. If the Agency XY still decides to hold such event, let's assume that the chosen event is a *children's day* located in the area of swimming pool in Pozlovice which is also known as Duha and describe it in more detail. Children's day does not only focus on the kids but it also requires an entertainment for adults because they come altogether with their kids. Therefore, the Agency XY should ensure that they offer some activities also for parents such as riding a four wheeler along the dam in Luhačovice, surfing simulator, LaserSniper, or just enjoy the atmosphere during the barbecue. Regarding the children, there could be aquazorbing, various jumping castles, face painting, competitions on the different stands and the thematic performance where the children can participate. This type of event would be realized on 1st of June when the international children's day take place and the expected costs are following – 3 jumping castles where the rental costs of each are about 8000 CZK, 6 hour of face painting (the company's supplier charges 850 CZK per hour), 8 four wheelers (1 four wheeler per day costs 4000 CZK), LaserSniper and surfing simulator are mostly charged by 10 000 CZK per day each and the performance for children which usually costs 5000 CZK. The prices of technical support, aquazorbing and stands for the competitions are not listed because the agency does not need to rent them because it has its own equipment. The barbecue would be realized by the fast-food restaurant in the Duha area and they would probably allow the agency to hold the event there provided that the entrance fees and profit from barbecue will be theirs or for the adequate fee (no more than 20 000 CZK). There is also a necessary number of employees such as – 1 event manager and 10 external employees for competitions at the stands and aquazorbing. The rest of the activities is under the control of people who rent the particular equipment. Overall costs for the employees of the Agency XY are 13 000 CZK at maximum. If the individual amounts are counted, the estimated costs for such children's day are 119 100 CZK but there are always some extra expenses, therefore the estimated budget should rather be 150 000 CZK.

2) Focus on the tendering procedures

As it was evaluated in the benchmarking, the Agency XY should be more active in searching for tenders. With the rising power of the Internet, some new tenders are being released daily and they demand an immediate action. Whole team of the event Agency XY needs to read through the requirements of the ordering party and according to them, the proposal of event is being designed. Such process lasts from one week to month and the sooner the agency finds out about the new tender, the better is the change it will win. The essential recommendation is therefore *adjusting the duties* of event coordinator and interns to search for the new released tenders on a *daily basis* because the right timing is crucial. In connection with the tenders, the company should also seek the winner's proposal so that the employees can learn some techniques for the future ones. The risk which accompanies the participation in tenders is that the winning design is eventually accessible to the public and the rivals can enhance their future proposals according to that.

3) Hiring a qualified event manager

Part dealing with the structure of the company XY described that the position of event manager whose job would be supervising the events (their program, performers, external employees and so on) is nowadays shared by 3 people – the executive manager, head of the marketing department or by external coordinator. Of course, it is economical from the point of view that the agency does not need to pay the salary for one more employee but on the other side, it is a large disadvantage that the employees who have a lot of their work also perform the work which is demanding and sharing it by 3 people makes it even more difficult because of the communication among each other. The suggestion is therefore following – the company should look for one more permanent event manager who will carry out all the duties by himself. The costs connected with the new employee would be around 30 thousands of the Czech Crowns monthly and the process of job interview would be performed by executive manager who would choose the appropriate candidate (estimated period of searching for a new candidate is about 1 – 4 months).

16.2.1 Overview of the Suggestions with an Emphasis on the Time Needed and Total Expenses

Particular recommendation	Time needed	Total expenses
Activity on the Facebook account – photos and	Regularly on the weekly basis	1 – 2 hours of the work of the head of the marketing

videos from events	(1 – 2 hours at maximum)	department, medium is for free
Sponsoring of an association such as a charity	Time spent on arranging the cooperation	The amount of invested money is up to the agency' s decision (tens of thousands of CZK)
Hold an event for the wide public - children' s day	Preparation of the children' s day lasts circa 10 days plus the day when the event is held	Should not be more than 150 000 CZK (this sum is clarified in the chapter 16.2 in detail)
Focus on the tendering procedures	Regularly at least one hour per day	1 hour of paid work of the event coordinator
Hiring a qualified event manager	Searching time for an adequate candidate usually takes from 1 to 4 months	The salary of an event manager in the Agency XY would be around 30 thousands of Czech Crowns per month

Table 6: Suggestions (own processing)

CONCLUSION

The purpose of this bachelor's thesis was to describe and analyze the current state of the competitiveness of the Agency XY and according to the undertaken analyses suggest the appropriate recommendations which would lead to the strengthening position of the company on both regional and national market. The theoretical part explained some basic marketing issues such as marketing mix, marketing communications mix, services marketing, competition and the analyses of internal and external environment which were undertaken in the following section. The analytical part was dealing with the identification of agency's most significant competitors in the Benchmarking which most of all contributed to the IFE matrix and the PESTLE analysis provided the necessary data for assembling the EFE matrix. Both IFE and EFE matrices served as the source of information to design the SWOT analysis.

With regard to the performed analyses, the current state of the competitiveness was revealed and the appropriate suggestions were formulated and described in detail. According to the results, the event Agency XY already owns some valuable strengths and therefore it could be more oriented on the improvement of the weaknesses and taking the advantage of opportunities around. Concerning the recommendations, the first of them was a proposal that the public awareness of the Agency XY should be increased and the steps how to achieve the outcome were described. The following proposal claimed that the event agency should be more focused on the tendering procedures and the third suggestion was concerned with the lack of personnel, particularly one more event manager should be hired. This thesis may contribute to the examined Agency XY if the results are taken into consideration and alternatively used.

BIBLIOGRAPHY

- Agentura Honza Sedláček. 2012. "Agentura Honza Sedláček." Accessed March 26, 2016.
<http://www.honzasedlacek.cz/>.
- Agentura Velryba, s.r.o. 2013. "Agentura." Accessed March 26, 2016.
<http://www.velryba.cz/index.php/firemni-akce>.
- Armstrong, Gary, and Philip Kotler. 2014. *Principles of Marketing*. Harlow: Pearson.
- Baines, Paul, Chris Fill, and Kelly Page. 2011. *Marketing*. Oxford: Oxford University Press.
- Bartes, František. 2011. *Strategie konkurenčních střetů: metody pro analýze odvětví a konkurentů*. Ostrava: Key Publishing.
- Cambridge Dictionaries Online. 2016. "Competition." Accessed January 27, 2016.
<http://dictionary.cambridge.org/dictionary/english/competition>.
- Cannon, Joseph P., William D. Perreault, and E. McCarthy. 2008. *Basic Marketing: A Global-Managerial Approach*. New York: McGraw-Hill.
- Český statistický úřad. 2016. "Nejnovější ekonomické údaje." Accessed March 26, 2016.
<https://www.czso.cz/csu/czso/aktualniinformace#124>.
- Devět měsíců. 2016. "Devět měsíců." Accessed March 26, 2016.
<http://www.devetmesicu.com/>.
- Dvořáček, Jiří, a Peter Slunčík. 2012. *Podnik a jeho okolí: jak přežít v konkurenčním prostředí*. Praha: C. H. Beck.
- Fotr, Jiří. 2012. *Tvorba strategie a strategické plánování: teorie a praxe*. Praha: Grada.
- Friedel, Luboslav. 2016. "Využití benchmarkingu v malé a střední firmě." Accessed February 16, 2016. <http://bestpractices.cz/seznam-praktik/vyuziti-benchmarkingu-v-male-a-stredni-firme/>.

- Iva Janálová. 2016. "Iva production & modeling." Accessed March 26, 2016. <http://www.ivajanalova.cz/>.
- Jakubíková, Dagmar. 2013. *Strategický Marketing: Strategie A Trendy*. Praha: Grada.
- Johnson, Matthew. 2016. "Service Marketing Mix: Extended Marketing Mix." Accessed March 12, 2016. <http://www.learnmarketing.net/servicemarketingmix.htm>.
- Kotler, Philip. 2001. *Marketing Management*. Praha: Grada.
- Kotler, Philip. 2007. *Moderní Marketing*. Praha: Grada.
- Kotler, Philip, and Kevin L. Keller. 2012. *Marketing Management*. Upper Saddle River: Prentice Hall.
- Laukamm, Thomas. 2016. "Competitive Positions." Accessed April 12, 2016. http://www.laukamm.de/fomweb/elearning/marketing/stratmarketing/kotl_competitive_strategy.htm.
- Magistrát města Zlína. 2016. "Úplná znění nejdůležitějších vyhlášek a nařízení." Accessed March 26, 2016. <https://www.zlin.eu/uplna-zneni-nejdulezitejsich-vyhlasek-a-narizeni-cl-856.html>.
- MPV Events. 2015. "MPV Events." Accessed March 26, 2016. <http://www.mvp.cz/>.
- Porter, Michael E. 1998. *Competitive Advantage: Creating and Sustaining Superior Performance*. NY: Free Press.
- Porter, Michael E. 2004. *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press.
- Pragokonzert. 2016. "Pragokonzert." Accessed March 26, 2016. <http://www.pragokonzert.com/>.
- Publicity, s.r.o. 2016. "Publicity." Accessed March 26, 2016. <http://www.publicity.zlin.cz/page/776.aktualne/>.

September. 2014. "September." Accessed March 26, 2016. <http://www.september.cz/>.

Světlík, Jaroslav. 1992. *Marketing: Cesta k trhu*. Zlín: Ekka.

Tomek, Gustav, and Věra Vávrová. 2007. *Marketing od myšlenky k realizaci*. Praha: Professional Publishing.

Urbánek, Tomáš. 2010. *Marketing*. Praha: Alfa Nakladatelství.

Vašítková, Miroslava. 2008. *Marketing služeb – efektivně a moderně*. Praha: Grada.

Zamazalová, Marcela. 2010. *Marketing*. Praha: C. H. Beck.

Zlínský kraj. 2013. "Program rozvoje územního obvodu zlínského kraje 2013 - 2016."

Accessed April 12, 2016. <https://www.kr-zlinsky.cz/program-rozvoje-uzemniho-obvodu-zlinskeho-kraje-2013-2016-cl-2601.html>.

LIST OF ABBREVIATIONS

EFE	External factors evaluation
IFE	Internal factors evaluation
O	Opportunities
S	Strengths
T	Threats
PR	Public relations
SEO	Search engine optimization
SPACE matrix	Strategic position and action evaluation
W	Weaknesses
4P	Product, price, place, promotion
7P	Product, price, place, promotion, people, process

LIST OF TABLES

Table 1: Benchmarking (own processing)	49
Table 2: EFE Matrix (own processing).....	54
Table 3: IFE Matrix (own processing).....	55
Table 4: SPACE Matrix (own processing)	56
Table 5: SWOT analysis (own processing).....	57
Table 6: Suggestions (own processing)	63