

A proposal of introducing Yarsagumba (*Ophiocordyceps sinensis*) in the market of Brno, Czech Republic

Pramila Khulal

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Zásady pro vypracování:

1. Study the theoretical background of marketing communications with focus on the product launching.
2. State the main goal, sub-goals, research questions and methodology of the thesis.
3. Analyze the degree of willingness to buy the product and preferences of identified target groups between online shops and shop in the Brno market.
4. In order to address the target groups in an appropriate manner, analyse the advantages and limits of marketing communication with focus on direct marketing.
5. Based on the results of the analysis, make appropriate recommendations to optimize the project and mention the advantages and limits of the project.

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Vedoucí diplomové práce:

doc. PhDr. Dagmar Weberová, Ph.D.

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doc. MgA. Jana Janíková, ArtD.
děkanka




doc. Ing. Mgr. Olga Jurášková, Ph.D.
ředitelka ústavu

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ABSTRAKT

Diplomová práce se zabývá zavedením zcela nového přírodního produktu (Housenice čínské) na český trh – Brno.

V první části diplomové práce je teoretická rešerše na témata, které se objevují v další části práce: integrované marketingové komunikace, chování spotřebitelů, rozdělení trhu.

V druhé části je aplikovaná metoda marketingového výzkumu v praxi, analýza shromážděných dat a získání výsledků a jejich aplikace.

Třetí část diplomové práce se věnuje možnosti a nástrojům propagace, činnostem, které mohou být v budoucnu použity pro propagaci a prezentaci produktu. V této části, na základě výsledků z druhé části diplomové práce, byly použity potřebné návrhy a doporučení.

Klíčová slova: Housenice čínská, chování spotřebitele, dotazník, strategie propagace, marketingové nástroje, reklama, segmentace trhu.

ABSTRACT

The diploma thesis proposes the introduction of a completely new herbal product called Yarsagumba in the market of Brno, Czech Republic for the first time.

The first part of the thesis deals with theoretical extraction covering the following related issues: integrated marketing communication, consumer behavior, market segmentation.

The second part applies the proposed marketing research methodology and scope into practice, analyses the collected data and extracts the research findings and ongoing suggestions.

The third part is completely dedicated in the promotional tools and activities that can be carried out in future in order to promote the product and create the awareness among the potential customers about the existence and availability of the product. Based on the findings in the second part of the thesis, necessary suggestions and recommendations were made in the third part as well.

Keywords: Yarsagumba, Integrated Marketing Communication, consumer behavior, questionnaire method, Promotional strategy, marketing tools, advertising, Market segmentation.

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I declare that this thesis is fully inscribed on my own and all the literary sources used are stated in the reference list and are properly quoted. I hereby declare that the print version of my Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

In Zlín, 21st April 2017

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INTRODUCTION- THESIS TOPIC AND JUSTIFICATION

This thesis is focused on finding out the future possibility of the Yarsagumba specializing business (shop) being successful in case if it is physically in existence. To predict the future success of the shop very accurately, all the possible variables on which the success is dependent on were taken into consideration while carrying out the research. The product in itself is very interesting and beneficial to human kind, however the higher rate of market price of the product restricts the potential buyers from buying it as the product is considered to be one of the most expensive herb in the whole world. More or less, the herb is popular in almost all countries and especially among health enthusiasts and athletes. Yarsagumba is not a newly found herb, the use of this herb accounts back to couple of centuries from now. Brno, being a big historical city and the second biggest trade center (after Prague) of a developed nation unhabituated by diverse residents but still not owning a single Yarsagumba specializing shop from the history, is a very interesting fact from the Marketing point of view. This interesting fact is the major factor which is responsible for the choice of this topic for the diploma thesis.

The aim of this thesis which is to find out the possibility of the future success of the shop, serves the future entrepreneurs and marketers in case if some of them are interested in launching the profit-oriented yarsagumba specializing shop along with the benefit to its customers. Therefore, this thesis is not only limited to the theoretical knowledge based ideas about the product but also the offered promotional ideas in the latter part of the thesis in the form of marketing strategies and project, further confirm the practicability of the thesis topic. The possible practical application of this research into a real transformable piece of work is the secondary reason for choosing this topic for the diploma thesis.

I. THEORY

1. THEORITICAL BASIS

The chapter is aimed to serve as a theoretical framework necessary for understanding the academic tools and equipment for the proposal of introducing the product yarsagumba in the market of Brno for the first time. It provides a necessary optimum extracted from academic and professional literature and information resources covering the marketing issues related to the chosen topic. The closing part deals with research methodology.

1.1 Definition of Marketing

To get into the marketing field, it helps to understand what exactly marketing is. The term Marketing is not as simple as it looks like; from the history many experts have tried to define the term Marketing from their own perspectives. Some of the most influential definitions of Marketing are as follows:

“Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.” — Philip Kotler

This is one of an old-school, college-professor definition, which is accurate and which provides justice to the term ‘Marketing’.

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” — American Marketing Association (AMA)

This definition of AMA is a very comprehensive, yet concise definition, encompassing the product development, marketing communications, pricing, and strategic aspects of marketing.

Marketing is *“The management process responsible for identifying, anticipating and satisfying customer requirements profitably.” — The Chartered Institute of Marketing (CIM)*

The CIM’s definition is very concise and put the focus on Customer care while being profitable.

“Marketing is the process of anticipating, managing, and satisfying the demand for products, services, and ideas.” — Wharton School, University of Pennsylvania

Similarly, the definition from University of Pennsylvania is very simple one focusing on the major factor of the marketing such as product, anticipation, demand etc. Therefore, taking into account all these definitions provided by experts of marketing, it can be concluded that marketing deals with the demand of the product or the service, management of the delivery system, anticipation of the market status etc. and all these factors must be revolving around the satisfaction of the customers.

1.2 Marketing Mix

According to Kotler (1967), Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. As for all the other products and services, the marketing mix includes 4 classical elements, popularly known as “4P” in the marketing field: product, price, place and promotion.

- 1) The first “P” – product or service, which can be tangible or intangible.
- 2) The price of the product is the 2nd ‘P’ of the Marketing mix which plays an important role in influencing the buyer from buying the product. According to Kotler, in his book Marketing Management, factors such as list price, discount, allowances, payment periods, credit terms are very crucial while determining the pricing of the product. One must be careful about this ‘p’.
- 3) The selection of the Place to offer the product is another P of Marketing mix. Kotler suggested in his book, that the customers’ convenience of being able to reach and buy the product must be considered in order to have successful marketing. Therefore for the convenience, channels, coverage, inventory, transport, location, assortments etc must be taken good care of. According to analysts, Concentration on only one channel may highly reduce the range of potential customers. Distribution channel must be acceptable for the companies that is selling the product and also convenient for the customer.
- 4) Promotion is the fourth “P” in the marketing complex. Promotion - is any form of informing consumers about products, services and activities of a particular organization. Kotler suggested that for the promotion of any sort of product advertising, direct marketing or any sort of communication those are chosen must be

chosen on the basis of the characteristics of the identified target groups. Most traditional methods of product promotion are:

- Advertising
- Public Relations
- Direct marketing communication with the consumers
- Sales promotion (incentives)
- Personal Selling.

Modern communication strategy for promotion of the product includes internet marketing, Mall Advertisements as well as Mega boards and Billboards. However, the major aim of promotion is to let the customer know of the product, therefore the communication strategy must be completely devoted to the nature of the customers.

Robert Lauterborn suggested that the sellers' four Ps correspond to the customers' four Cs.

Four Ps	Four Cs
Product	Customer solution
Price	Customer cost
Place	Convenience
Promotion	Communication

Winning companies are those that meet customer needs economically and conveniently and with effective communication. (Gupta et al, 1986)

For this thesis, product is Yarsagumba. Yarsagumba is available in the form of powder and tablets or pills in the market and of course in its original form as well. Since the product is sold in dried form, there is no need to provide special attention for the preservation of the product. As for Yarsagumba, the current market price which is the second 'P' of marketing mix, is \$20,000 (£16,000) per Kilo (Greenwood, 2016). The third 'P' place for the yarsagumba specializing shop would be in the city center of Brno. Promotion is the fourth "P" in the marketing mix, as for this thesis, Direct marketing of the product along with mall and magazine advertisement are chosen as promotional method for the product in order to communicate with the potential customers.

1.3 Consumer Behavior

Consumer is the most influential factor for any marketers and for the success of any sorts of business entity. Therefore, an in-depth knowledge of consumer behavior is crucial for marketers. Consumer behavior usually involves the use and disposal of products as well as the study of how they are purchased and what are the decision making criteria. Consumer Behavior is often of great interest to the marketer, because this has influence on how a product is best positioned or how the increased consumption can be encouraged. (Perner, 2010). One "official" definition of consumer behavior is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." (Perner, 2010)

Basically the consumer behavior is driven by two major values; rational appeal which is known as functional values and emotional appeal which is focusing on emotional values that evoke positive feelings about the product to motivate purchase (Bendixen et al., 2004). In general, functional values are about communicating the functional benefits of the product (Doyle & Stern, 2006), e.g. the products highly satisfying performance, lower cost, quality, price etc. Functional value is a strong motivator when purchasing decisions are mainly rational, as well as when the product's functional quality creates reliability and trust, such as health and food products. In B2B purchasing process, buyers require tangible features that they can use to justify their purchase decision and the significance of these functional values, such as performance and quality of the product, has been confirmed by various studies (Bendixen et al., 2004). Emotional values that seem to be most appropriate for B2B include attributes such as trust, peace of mind, security and credibility (Lynch & de Chernatony, 2004).

However, Meenaghan (1995) argue that the reality of product purchasing is that the customer is likely to evaluate both functional and emotional values. On one hand the functional values of a product are being automatically evaluated against the customer's requirement in a rational or practical manner, on the other hand the customer is evaluating the value and meanings that is implied in the product in a perceptive and emotional manner (Meenaghan, 1995).

Simplifying it, Consumer behavior values can be both functional and emotional (tangible and intangible) at the same time, but the fundamental sense of added value is an emotional one, however, most of the times emotional feelings have to be backed up by rational aspects of the functional values and the success of a product comes from having both functional and emotional values (Doyle & Stern, 2006).

1.4 Integrated Marketing Communication (IMC)

One of the first widely spread definition of Integrated Marketing Communication (IMC) is provided by the American Association of Advertising Agencies (The 4As) in 1989, which focused on the 'process' of using more than just advertising to achieve the goal of maximum communication impact. Something more to the audience and the effectiveness of the advertising were keenly looked upon in IMC based on this definition. According to the Northwestern University's Brochure (1991), IMC is simply the process of managing all sources of information about a product to which a customer is exposed towards sale and maintain the customer loyalty. This definition put more stress on building the relationship between the customer and the brand giving rise to brand loyalty. Similarly, the definition of IMC provided by Caywood and Duncan in 1991 suggests that IMC is a concept of marketing communication planning that recognizes the added value that is capable of evaluating the strategic roles of the disciplines of the communication, such as public relation, sales promotion, direct response and general advertising. These combined disciplines of the communications are evaluated in such a way that it provides clarity, consistency and the maximum communication impact which can further assist in achieving the marketing goal of an organization.

Scholars believed that IMC provides greater consistency in marketing communication programs, reduces the media waste and in the end provides the company a competitive edge. IMC generally begins with the total awareness about the understanding of consumer behavior and may advance through several stages to a final impressive integration in order to find the new ways of conducting the business in a most effective way. According to Thorson and Moore (1996), the stages of the IMC includes the following generalized concepts:

Awareness

Image Integration

Functional Integration

Coordinated Integration

Consumer-based Integration

Stakeholder- based Integration

Relationship Management Integration

At each of the above mentioned stages the communications strengths and weaknesses of advertising, public relations, direct response marketing, corporate public relations and promotions marketing are properly weighed and balanced in order to create the best mix. A completely Integrated strategy will be responsible for the best form of communication to contribute to the success of the corporate mission. (Thorson and Moore, 1996).

For the project part of the diploma thesis, whose major goal is to promote the shop in Brno specializing the product Yarsagumba, an Integrated Marketing communication has been applied. The proportional mix of direct marketing (Distribution of Flyers), Magazine Adverts and Mall Banner Advertisement have been chosen as the promotional tools for the Integrated Marketing Communication. Employing an integrated marketing campaign is responsible for the creation of a unified marketing strategy that will deliver numerous benefits. Along with the boost in sales and profits of the business, it also helps to increase brand loyalty, save the business expenses and increase the competitive edge.

1.5 Market Segmentation

According to Management Study Guide (2017); Segmentation refers to the process of bifurcating or dividing a large unit into various small units which shares more or less similar or related characteristics among themselves. Market segmentation therefore, is a marketing concept which divides the complete market set up into various smaller subsets consisting of consumers having a similar taste, demand and preference. A market segment is nothing but a small unit within a large market comprising of like-minded individuals who carry a higher possibility of being potential customer of a certain business entity. The identification of Market segment is considered to be crucial in order for business entities to target the advertisement and marketing campaigns based on their shared preferences. It is believed by many marketer experts that the individuals from the same segment respond in a similar way to the fluctuations in the market (DeVault, 2017).

Markets may be divided into segments by looking at their demographics, economic status, geographical location, and behavioral attributes. Some of the popular basis for market

segmentation are Age, Gender, Income level, Marital status, Occupation, location etc. Therefore, the market segments are identified on the basis of common sharings (in any of the above mentioned forms) among a group of individuals. For the effectiveness of the marketing strategies among the targetted market segments, it is believed that the categorized market segments must be homogeneous and also heterogeneous at the same time. That means, the members of the segments must be sufficiently alike as to be considered a homogeneous group, and the segments themselves must be sufficiently distinct as to be considered categorically heterogeneous so that the division is clear enough (DeVault, 2017).

According to the Management Study Guide (2017), Market Segmentation is responsible to devise appropriate marketing strategies and promotional schemes according to the tastes of the individuals of a particular market segment. It usually helps the organizations and the marketers to target the right product to the right customers at the right time. It is not only beneficial for the organizations, in fact, Market segmentation also gives the customers a clear view of what to buy and what not to buy. In order to reduce the unnecessary marketing cost by the organizations, market segmentation is necessary.

As for this Research regarding the product Yarsagumba, Market segmentation is highly considered as well. Two basic variables are chosen in order to identify the market segments, those are, geographical location and age of the customer. Since the yarsagumba specializing shop is going to be placed in the city center Brno, categorizing the customer in accordance with their location is very crucial as the research is realistic in nature and in order if the customer would like to have the product, geographically the customer must be within the reach of the shop. The other important variable for market segment is 'Age' of the customer. This variable is chosen in order to appropriately choose the marketing strategies to be implied for the promotion of the product since the media use and marketing communication strategies differs according to the age group.

1.6 Market Situation Analysis

According to the business dictionary, Market situation analysis is “a systematic collection and evaluation of economic, political, social and technological data aimed at identification of internal and external forces that may influence the organizational performance and as-

assessment of the organization's current and future strengths, weaknesses, opportunities and threats. In general, a situational analysis is a critical review of the business situation. It serves as a starting point for the marketing plan that is why it is often called the foundation of a marketing plan. A situational analysis includes a brief examination of internal and external factors affecting a business entity. It helps to create an overview of the organization that will lead to a better understanding of the factors that will influence its future. To put together a situational analysis, information about the product and the market the product is being sold at, including its size, the competitors, and the customers who purchase it, need to be gathered. (Lorette, 2017) There are few sets of questions that helps better for the situation analysis.

- What is your company's current product(s)?
- What is their price point relative to competitors?
- Where do you purchase your product or its components? Are there other options for sourcing?
- How do you get your product to the buyer?
- What growth do you anticipate in the market?
- What factors do you see impacting your market? Are there anticipated changes in where people live, average age of the population, environmental regulations, political climate, or other factors that may lead to a change in the size of your market?
- Who buys your products now? Give a detailed picture of your customer, including demographics like age, sex, race, income, and reason they are purchasing the product.

These questions help to organize the company's product in the market and give a clear overview and vision for the anticipation of future success.

1.7 Risk Analysis

Risk as analysis brings logic, reason, and scientific deliberation to bear on hazard management. Risk is an abstract concept which is hard to define and in most cases difficult or almost impossible to measure with any precision. According to Chris Chapman (1991); Risk is an 'exposure to the possibility of economic and financial loss or gain, physical

damage or injury, or delay as the consequence of uncertainty associated with pursuing a particular course of action. 'Risk Analysis, in the other hand, is a procedure of identifying threats & vulnerabilities, analysing them to ascertain the exposures, and putting focus on how the impact can be eliminated or reduced in different fields.

According to TechTarget (2010), Risk analysis is the process of defining and analyzing the dangers to either individual or businesses and government agencies posed upon by potential natural and human-caused adverse events.

Risk Analysis helps to manage potential problems that could undermine key business initiatives or projects. Identifying the possible threats is the foremost step of risk analysis and then estimating the likelihood that these threats can be mended or avoided is also the part of Risk analysis.

Risk Analysis can be complex, as the detailed information such as project plans, financial data, security protocols, marketing forecasts, and other relevant information has to be estimated or fetched. But in the end, a properly formulated Risk analysis could save time, money and even reputation. Risk Analysis can describe the level of uncertainty of a certain action to be taken, which further serves the business entity or organization to make an appropriate decision (Vose, 2008).

As for the Yarsagumba specializing shop which is going to be the first one of such kind in Brno, identifying the potential risks and analysing them plays an important role for the future success of the shop. Therefore, in the Project part of the thesis, the major intention of which is to promote the product, is designed in such a way that the potential risks and their analysis is taken into consideration in order for the shop to be successful in the future.

1.8 Measurement and Evaluation Tools for a Project

Evaluation of a project involves the systematic collection of information about the activities undertaken, the characteristic and outcomes of any activity or action during the project implementation, in order to determine its worth or merit. It is a major part of learning, and can provide useful information on the outcomes of a project or action, and the dynamics of those who undertook the work (Dart et al, 1998). By identifying the weaknesses and strength of a project, evaluation draws conclusion which further assists to make a correct

decision and define the future projects and policies (Patton, 1997). It is very crucial to be aware of the reasons for undertaking an evaluation before actually commencing it because this will define how the evaluation process should be designed, and what outcomes are expected as a result. According to Patton (1997), evaluation can be undertaken for number of reasons, some of the relevant ones relating to the Yarsagumba Projects are mentioned below:

- To contribute information.
- To determine whether the project objectives are met.
- As a debrief on the completion of a project.
- To reflect on how the project became successful/unsuccessful and whether it is needed to improve the way things are being done.
- To review and adjust the management methods and techniques used for the project.
- To develop the skills and understanding of people involved in a project.
- To provide information for future actions need to be undertaken.
- To justify and promote a management action to the wider range of target group.
- To compare if the actions taken are contributing to the project objectives.

One of the most important element to be taken care of while measuring the performance of the project and evaluating it, is the Timing. Evaluation can take place at any time in a project. However, the most appropriate timing will be determined by the nature of the project, and the reason for carrying out the evaluation. There are several evaluation tools for a project such like in this diploma thesis. The most effective and common ones are:

1. Collecting the Respondents opinion
2. Physical method

1.8.1 Collecting the Respondents Opinion

Under this method of evaluation, the technique that are implied several times are structured Interview with open or end questions, Semi-structured interview where some questions are predetermined and new questions are developed from the discussion. In this type of Interview, questions are mainly open, providing an opportunity for the respondent to provide an opinion. Patton (1997) also suggests that qualitative methods in Evaluation and Research

provides further reading on semi-structured interviews. Other popular evaluation methods include Questionnaire and Evaluation Stories. Questionnaires are typically inexpensive, can be completed anonymously, and are very easy to compare and analyze. Although it may only appeal to a certain section of the community, and responses from certain sections of the community may be limited, it is possible to involve many people. Questionnaires can be conducted in person, by telephone, or by mail. It is very helpful when the information from a wide variety of people are required quickly. Evaluation stories are usually based on collecting and reviewing stories of significant change which is associated with the activity or action that are being evaluated (Martin, 2003). These sort of stories are collected from the sources which are most directly involved with the project being carried out.

1.8.2 Physical Method

Physical method generally includes the evaluation techniques such as Photographic records, Aerial photographs, Direct measurements, Participant observation etc. Photographic records allow comparisons of before and after management actions has taken place and are very useful for on-ground projects. It is the best evaluation techniques, when it is needed to monitor a site over time, and can also be combined with other evaluation tool. Aerial photographs are the ones which are taken on a frequent (annual or bi-annual) basis of the project site. It can be used in conjunction with other evaluation methods to record change at a site. In case the project has the characteristics of a physical project relating to infrastructure, aerial photographs should be considered as an important part of initial project planning.

Direct measurement of an aspect of the site is considered to be more objective and less prone to bias because of the fact that it physically exists (or doesn't exist). Some of the best examples of direct measurements are plant survival rates, a reduced incidence of vandalism, increased number of local volunteers working in the area, reduced presence of weeds etc. Similarly, in the Participant observation evaluation techniques, data is collected by listening, watching, and documenting what is seen and heard from the respondents that are considered to be relevant and crucial for the project. By noticing comments, behaviors and reactions, useful information is provided to the evaluation process. The participant observation method gathers relatively accurate information about how a group and project operates in the field compared to other evaluation techniques (Martin, 2003)

For the evaluation of the Project of this diploma thesis, short survey with questionnaire method among the customer is chosen, for which the survey Kiosk instrument will be placed in the shop. The reason for choosing this technique for the evaluation is simply to collect responses and useful information from the customer/respondents without even bothering them and without wasting much of their time. One of the best advantage of this technique is that, it is inexpensive method of evaluation and this technique is capable of providing variety of responses from different respondents.

1.9 Introduction to Yarsagumba

Yarsagumba (*Ophiocordyceps sinensis*) is a well-known entomogenous fungus distributed in alpine zone of trans-Himalayan terrain and Tibetan plateau in the altitudinal range of 3,000 to 5,000 altitude. It has been commonly known by its synonym *Cordyceps sinensis* both in scientific and non-scientific communities but has recently been transferred to new genus *Ophiocordyceps* on the basis of phylogenetic study (Sung, 2007). *Cordyceps* is also known as the Chinese caterpillar fungus because it is a parasitic organism that grows on a rare caterpillar (*Hepialis armoricanus*) until the caterpillar dies and the mushroom sprouts from the caterpillar's head. It is popularly known as *Yarsagumba* in Nepal and Bhutan, and is one of the most prized herb. In Ayurvedic literature, this herb was mentioned as *Bhu-Sanjivani* (Shrestha, 2010) and its uses were mentioned as *Sannipatik Brikka Mahaphiranga*, i.e., it cures severe and incurable kidney and syphilis diseases (Shrestha, 2011).



Figure 1. Anatomy of Yarsagumba

Source: <https://en.anastore.com/downloads/cordyceps/dossier-cordyceps-EN.pdf>
retrieved on 3/22/2017

The standard Chinese name is Dong Chong Xia Cao (Chong Cao in short), literally meaning winter-worm summer-grass. Japanese and Korean names for this herb are Tochu-Kaso and Dong Chung Ha Cho respectively (Shrestha, 2010). In Tibet, it's called "Yartsa gunbu," which translates to "summer grass winter worm." (Harvey, 2014)

Cordyceps was discovered about 1500 years ago in Tibet by herdsmen who observed that their livestock became energetic after eating a certain mushroom. About 1000 years later, the Emperor's physicians in the Ming Dynasty learned about this Tibetan wonder and used this knowledge with their own wisdom to develop powerful and potent medicine. Initial records of Cordyceps as medicine date from the Qing Dynasty in China in 1757 (Sharma, 2004)

"Yarsagumba", as it is known in Tibetan and Nepalese language, with both the caterpillar and fungal part in an intact single piece is an item of commerce in many countries. The scientific classification of yarsagumba is as follows:

Kingdom: Fungi

Phylum: Ascomycota

Class: Ascomycetes

Order: Hypocreales

Family: Clavicipataceae

Genus: Cordyceps

Species: C. sinensis

1.9.1 Chemical Constituent of Yarsagumba

Yarsagumba is composed of the following mentioned chemical compounds (Chakraborty et al, 2014, p- 341)

- Sterols

Ergosterol, Cerevisterol, α -sitosterol. Ergosteryl-3-O- α -D-glucopyranoside, Ergosterol peroxide. 3-O-ferulylcycloartenol, Daucosterol , Stigmasterol, Stigmasterol 3-O- acetate , Fungisterol.

- Nitrogenous compounds
 - Uracil, Guanosine, Thymidine, Tridine, Dideoxyuridine, Guanine, Inosine. Adenine, Hypoxanthine, Adenosine, Cordycepin. Caffeine, Tetracosanamide. Cordycedipeptide A. Dideoxyadenosine, Inosine, Guanosine, Uridine. Cordyceamides A, Cordyceamides B, Aurantiamide acetate. Thymine, Cordysin A, Cordysin B, Cordysin C, Cordysin D, Cordysin E
- Polysaccharides
 - D-glucan, Cordysinocan, Mannoglucan, D-mannitol.
- Proteins and related compounds
 - Cadaverine, Spermidine, Spermine, Putrescine. Flazin , Perlolyrine. Cordymin, L-tryptophan.
- Fatty acids and other organic acids
 - Lauric acid, Myristic acid, Penta decanoic acid, Palmitoleic acid, Linoleic acid, Oleic acid, Stearic acid, Docosanoic acid , Lignoceric acid. Palmitic acid, Succinic acid
- Phenolics and acids p-hydroxybenzoic acid,
 - Vanillic acid, Syringic acid, p-methoxybenzoic acid, p-hydroxyphenylacetic acid , 3,4-dihydroxyacetophenone, 4 hydroxyacetophenone, protocatechuic acid , acetovanillone, salicylic acid, Furancarboxylic acid
- Isoflavones
 - Trihydroxyisoflavone, Glycitein, Daidzein, Orobol, Genistein.
- Vitamins
 - B1, B2, B12, and Potassium
- Inorganics
 - Potassium, Sodium, Calcium, Magnesium, Iron, Cupper, Manganese, Zinc, Selenium, Aluminum, Silicon, Nickle, Strontium, Titanium, Chromium, Germanium.
- Volatile compounds Aldehydes
 - Benzaldehyde, Benzene acetaldehyde, Nonanal , Decanal Alcohols: Phenylethyl alcohol, 2-(methylthio)-3-pyridinol, 7-octadien-1- ol
- Aromatics
 - Azulene, 2,6-dimethylnaphthalene, 1,6-dimethyl-naphthalene

- Phenols
 - 2-methyl-phenol , Butylated hydroxytoluene
- Acids
 - Phosphonic acid

1.9.2 Morphology of Yarsagumba

The fruit body is dark brown to black in color and the ‘root’ of the organism, the larval body pervaded by the mushroom's mycelium appears yellowish to brown in color. It is 5-15 cm long and 0.14 to 0.5 cm thick.

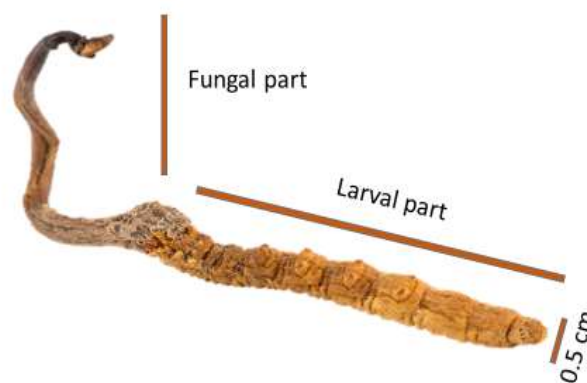


Figure 2. Division of yarsagumba body part.

Source: own research

There are two types of yarsagumba available in market based on the color.

1. The whitish yellow is larger and good in quality.
2. The copper colour is smaller as well as qualitatively compromised.

The immature larvae (host) on which *cordyceps* grows usually lies about 6 inches below the surface of the ground. As the fungus approaches maturity, it consumes more than 90% of the infected insect effectively mummifying its host. As the stroma matures, it swells up and develops *perihelia*. The average weight of cordyceps is about 300–500 mg. (Panda, 2011)

1.9.3 Lifecycle of Yarsagumba

The simple Phenomenon is a mushroom grows out of a larva of ghost moth. During the summer and early autumn, matured pre-existed bodies of Yarsagumba release millions of ascospores (like pollen grains) in the air which slowly infect the larva and later germinate inside its body. As the larva is subterranean in habit, it continues digging the soil deeper and settles itself in vertical position. As the winter season approaches, the fungal cells rapidly proliferate inside the larva body and consume all the internal organs of the larva except its exoskeleton. Then the fungal cells convert into the compact white mass inside the body of larva, which is called endosclerotium. As the outer temperature slowly rises up at the beginning of the spring, the endosclerotium starts germinating and finally comes out through the head part of the larva and ultimately penetrate through the soil. This is the exact season when the collectors start collecting this fungus (Winkler, 2009). Apparently the life cycle needs one whole year to complete. The process is clearly illustrated with the help of the following image.

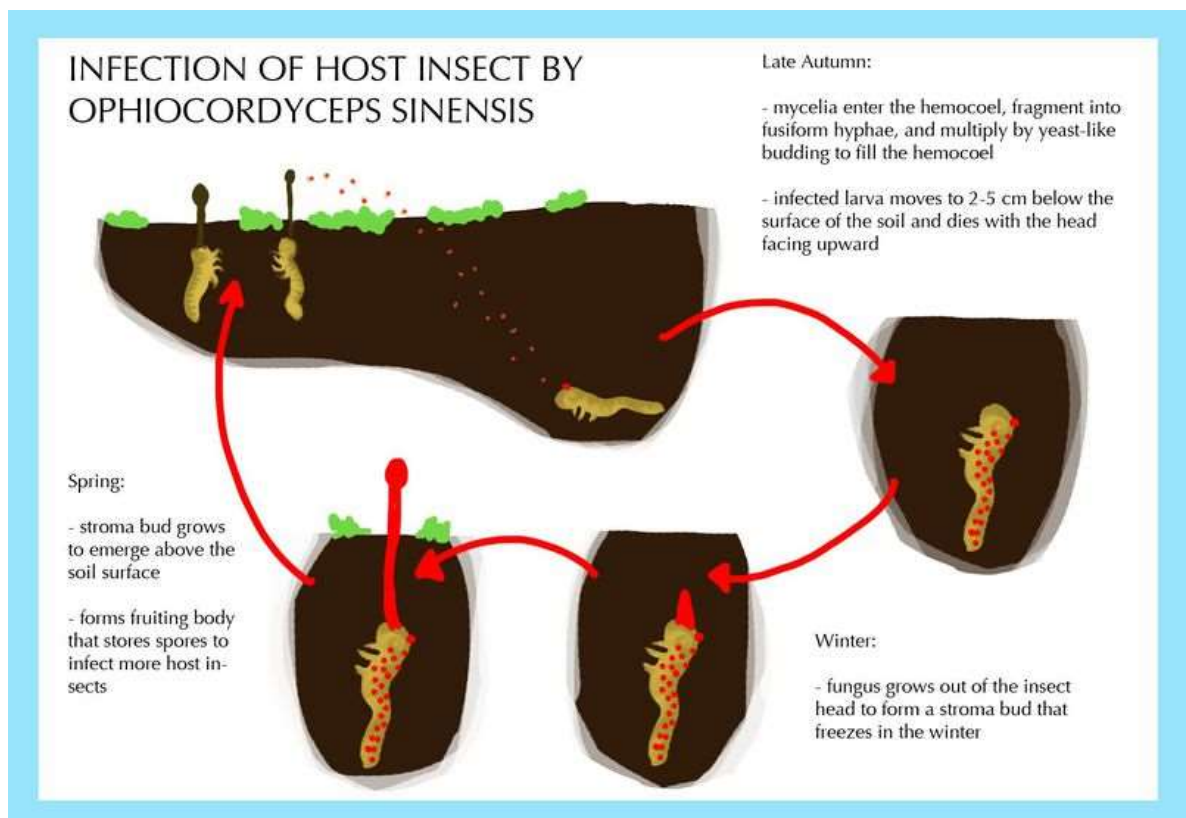


Figure 3. Lifecycle of Yarsagumba.

Source:

https://microbewiki.kenyon.edu/index.php/File:Infection_of_host_insect.jpeg accessed on 3/8/2017

Therefore, summarizing the lifecycle of yarsagumba in relation to the four seasons of the year, in spring and summer it grows out of the host larva and forms a mushroom fruiting body above the ground, but grows inside the host larva during autumn and winter.

1.9.4 Geographical Distribution of Yarsagumba

Yarsagumba is mostly available in high mountains at an altitude of 3,600 – 5,000 meters above sea level. Locating it according to the geographical distribution, it is found in Nepal Himalaya, Tibet, Bhutan, Sichuan, Qunghai, Xizang and Yunnan provinces of China and d also in higher altitudes of Arunanchal Pradesh and Sikkim in India (Singh et al, 2010). The following map with highlighted areas (light green parts) provides the clear vision of the geographical Distribution of Yarsagumba.



Figure 4. Geographical Distribution area of Yarsagumba

Source: <https://en.anastore.com/downloads/cordyceps/dossier-cordyceps-EN.pdf> accessed in 09/03/2017

1.9.5 Medical Usage of Yarsagumba

Yarsagumba is claimed to have a positive and marvelous effect in human health by numerous researches and books. Some of the identified health benefit of yarsagumba is explained below.

Strengthen the Cardiovascular system

Mycelia and fruiting bodies of *Cordyceps sinensis* are very rich in adenosine and therefore mild hypotensive effect and platelet aggregation inhibition are observed. Yarsagumba also shows vasodilating effect, anti-arrhythmic, negative inotropic effect and also inhibits thrombus formation. It works best for strengthening the bone marrow as well. (Zhou et al, 1998)

Highly Effective on Kidneys

Research works have demonstrated that *Cordyceps sinensis* shows protective effects on different nephrotoxicity. Studies have shown that much of the kidney-enhancing potential of *Cordyceps* stems is from its ability to increase 17-hydroxy-corticosteroid and 17- ketosteroid levels in the body (Zhou et al, 1998). Chronic renal failure is a serious kidney disease among the elderly people. In a study among 51 patients suffering from chronic renal failure, it was found that the administration of 3–5 grams per day of *C. sinensis* significantly improved both kidney function and overall immune function of treated patients, compared to the untreated control group (Guan et al, 1992).

Heart Ailments

Yarsagumba is highly consumed for stabilizing the heartbeat and correcting heart arrhythmias. It has been used traditionally to treat patients with heart disease and those recovering from stroke (Hobbs, 2002). In studies of patients suffering from chronic heart failure, the long-term administration of *Cordyceps*, in conjunction with conventional treatments that is, digoxin, hydrochlorothiazide, dopamine, and dobutamine, promoted an increase in the overall quality of life. This included general physical condition, mental health, sexual drive, and cardiac function, compared to the control group. (Chen, 1995)

Antidiabetics Activities

Researchers have demonstrated the hypoglycemic effect on normal and alloxan-diabetic mice and streptozotocin (STZ)-diabetic rats. Yarsagumba is highly effective on the blood glucose metabolism system. In one randomized trial, 95% of patients treated with 3 grams

per day of *C. sinensis* saw improvement in their blood sugar level, whereas the control group showed only a 54% improvement with treatment by other methods (Guo et al, 1995)

Enhancement of Physical Stamina

Cordyceps are found to be very effective in the area of increasing the physical stamina. After 1993 when the Chinese National Games brought this mushroom to the attention of the world's sporting authorities, a group of nine women athletes who had been taking Cordyceps shattered nine world records. In the sports field, there have been many reports of amazing improvements in performance after the players intake Cordyceps (Steinkraus et al, 1994).

Liver Ailments

Studies shows that regular consumption of Yarsagumba increases the efficient functioning of the liver. Cordyceps is commonly used as an adjunct in the treatment of chronic hepatitis B and C (Chakraborty, 2014). In one of the study using 22 patients who were diagnosed with post hepatic cirrhosis, after 3 months of consuming 6–9 grams of Cordyceps per day, each patient showed improvements in liver function tests. (Lui et al, 1986)

Aphrodisiac and Sexual Stimulant

Cordyceps has been used for centuries in Traditional Chinese Medicine (TCM) to treat male and female sexual dysfunction, such as hypolibidinism and impotence. Human clinical trials have demonstrated the effectiveness of Cordyceps in combating or fighting the decreased sex drive and virility. (Donohue, 1996)

Apart from above mentioned health benefits of yarsagumba, there are many more other important health improvement discoveries, which are not yet finalized but scientists are working on it. A possibly valuable therapeutic application of yarsagumba is its potential as a treatment for cancer, as well as an adjunct to chemotherapy, radiation, and other conventional and traditional cancer treatments. (Hobbs, 2002)

1.10 Dosage and Ways of Consumption of Yarsagumba

The proper dose of Yarsagumba depends on the purpose of its consumption (for immunity, for cure of heart diseases etc.). For a healthy person who uses Yarsagumba as an aphrodisiac, life-giving, stimulant for sports etc., the recommended dose is: 0.3—0.7 gram (i.e. 1-2

pcs according to the size) on a daily basis. In general, clinical trials have been conducted and it has been concluded that using 3–4.5 gram of yarsagumba per day, except in cases of severe liver disease, where the dosage has to be made higher which is approximately in the range of 6–9 gram per day. (Hobbs, 2002).

Yarsagumba has been traditionally taken in tea or eaten as whole, either by itself or cooked with a variety of meats. In Asia Yarsagumba is cooked with many kind of dishes: chicken or duck soup, pork specialties, boiling it in duck's stomachs, or feeding the duck with Yarsagumba and after 2-3 days preparing the duck and eating it. In Nepal, traditionally powdered material is taken with honey, milk or water. Alcoholic drink is also known to be prepared by immersing dried Yarsagumba (Devkota, 2006). In the present context, along with the established or stereotype traditional means of consumption, powdered mycelium and mycelial extracts (body part of yarsagumba) are also available in capsulated and non-capsulated forms. At present, powdered form of yarsagumba and pills or capsules of yarsagumba are available in the market. (Holliday and Cleaver, 2005)

1.11 About Brno City

Brno is the second largest city in the Czech Republic. It is the capital of South Moravia, which is an important eastern region of the country. It ranks second on the National Urban Hierarchy. The total number of inhabitants at the end of 2011 was 379,000. This represents more than 30% of the population of the entire South Moravian region; some 183,000 were men and some 196,000 were women (Eurocities, 2012). According to the official site of Brno (www.gotobrna.cz), 150,000 commute on a regular basis to work, school or entertainment. Brno is traditional centre of industry and trade. The city is home of many Czech and international business companies. Strategically located in Central Europe, Brno has excellent accessibility, including an international airport. Brno is a dynamically developing centre of industry, trade, science, information technology, research and innovation, with business incubators and scientific centres of excellence.

1.12 Yarsagumba Shop in Czech Republic

After an intensive search, only one shop (physically present) where yarsagumba is made available was found in Prague namely *Smer Zdravi*. The Address of the shop is Korunni 4, Namesti Miru, Praha 2, Tel.: 773475920. It is the only one shop in whole Czech Republic which is responsible for selling the products from yarsagumba. (Zdravi, 2015)



Figure 5. Logo of the shop

Source: <https://www.smer-zdravi.cz/eshop-kategorie-cordyceps-37.html> accessed on 3/21/2017.

Cosmetic herbal products, spices and medicinal herbal products are the range of the products that the shop is selling.

2. RESEARCH GOAL, RESEARCH QUESTIONS AND METHODS

Based on the research objectives that are needed to be achieved, following research goals, research questions and the methodology are chosen.

2.1 Research goal

The main goal of this research is to find out the possibility of future success of introducing yarsagumba in the market of Brno.

As a sub-goal, to find out the target group in Brno for the given product yarshagumba is crucial too.

The result of this research will provide the clear vision of whether or not the introduction of yarsagumba will be success in the future. Furthermore, the target group will be identified and it will be decided if those identified target group would be the customer of yarsagumba or not.

2.2 Research questions

To achieve the research goal, the following research questions were raised and they need to be answered during the research process:

1. Do the residents of Brno know about Yarsagumba?
2. Is it a good idea to launch a very first yarsagumba shop in Brno from the point of view of profit-oriented Business activity (since the product is too expensive and the advertising cost along with other operational costs will take a huge portion of budget)?
3. Are there target groups in Brno and in the nearby places for the yarsagumba buyers?
4. Do the residents of Brno prefer online shopping or buying from shops?

2.3 Research methods

From the large pool of research methods, considering the need of this research to have an in-depth knowledge about the desire and willingness of customer to buy the product geo-

graphically limited to Brno Region, Czech Republic, the combination of quantitative and qualitative research methods was thought to be the appropriate and fulfilling ones. Hence, as the primary research methods, Face to Face Interview (Qualitative) and Online Questionnaire (Quantitative) research methods were the two major research methods chosen for this research.

The collection and analysis of quantitative and qualitative research methods in an iterative analytic process can provide important information on emergent and unexpected themes. Mixed methods design can provide pragmatic advantages when exploring complex research questions. The qualitative data provide a deep understanding of survey responses, and statistical analysis can provide detailed assessment of patterns of responses (Driscoll et al, 2007, p. 26)

According to Clive Seale in the book 'Researching Society and Culture', the presence of an interviewer in Face to Face Interview, allows for complex questions to be explained, if necessary, to the interviewee. There is more scope to ask open questions since respondents do not have to write in their answer and the interviewer can pick up on non-verbal clues as well as the interviewer can control the context and the environment in which the interview takes place. (pp. 183-186).

Since the Research demanded the understanding of the product among its potential customers and their psychological tendencies to try the new thing for their health benefits, the analysis of the non-verbal language, more detailed statements and the unsaid/untold sentences were crucial for the research. Hence, Face to Face Interview method which is semi-structure (where additional questions are permitted according to the direction of the interview) in nature was thought of being justifiable for the required situation in order to meet the research goal.

However, the geographical coverage of Brno area was only limited to central parts and urban areas, sample representatives from cornered villages were restricted due to the cost (travel and miscellaneous) associated with face-to-face interviews.

As the 2nd most important primary research method, Online Questionnaire method was chosen which is quantitative in nature. The major advantageous feature of Online Questionnaires is that the data analysis tools will either be an integral part of the website or data can be copied or ported directly into analysis software such as SPSS or Microsoft Excel. Typically, both options are offered. This means the results are available as the data is en-

tered, and transcription errors and the chore of manual data entry into separate analysis software are eliminated. (Jones, 2008, pp. 66-69).

The major reason for the selection of this method is because of the fact that the web-based activities are relatively faster in Czech Republic than in other countries regarding online business enterprises as well as individuals irrespective of their ages. According to Clive Seale in the book 'Researching Society and Culture' (pp. 285-288) in this method, there is practically no cost involved once the set-up has been completed and the response rate is relatively higher than in other methods.

However, the research had to bear the fear of false responses because many people dislike unsolicited email.

II. ANALYSIS

3. ANALYTICAL PART

The application part deals with the practical findings of the two selected data collection method of this research and analysis of those collected data. Furthermore, it displays the research conclusions.

Yarsagumba (*Ophiocordyceps sinensis*) is a well-known entomogenous fungus distributed in alpine zone of trans-Himalayan terrain and Tibetan plateau in the altitudinal range of 3,000 to 5,000 altitude. It has been commonly known by its synonym *Cordyceps sinensis* both in scientific and non-scientific communities but has recently been transferred to new genus *Ophiocordyceps* on the basis of phylogenetic study (Sung et al, 2007). It is popularly known as *Yarsagumba* in Nepal and Bhutan, and is one of the most prized herb. The standard Chinese name is Dong Chong Xia Cao (Chong Cao in short), literally meaning winter-worm summer-grass. Yarsagumba is a unique caterpillar-fungus fusion that occurs when parasitic mushroom spores infect and mummify a ghost moth larva living in the soil. A spindly fungus later sprouts from the dead caterpillar host's head. Two to six centimeters long, the fungus shoots above the soil, acting as a tiny, finger-shaped flag for harvesters to find. This peculiar hybrid is the world's most expensive biological resource. (Harvey, 2014)

It is mostly used as a tonic. In Nepal, traditionally powdered material is taken with honey, milk or water. Alcoholic drink is also known to be prepared by immersing dried yarsagumba (Devkota, 2006). The core constituents of yarsagumba are cordycepin, adenosine, acid cordycepinova, polysaccharides and sterol. The combined effect of all these core elements are responsible for curing the following diseases:

- i. Immunodeficiency
- ii. Heart disease
- iii. Asthma
- iv. Hypoglycemia
- v. Impotence or sexual dysfunction
- vi. Kidney disease

Additionally, it is also used for the treatment of total exhaustion, breathing difficulties and lung diseases (like tuberculosis), liver and cardiovascular diseases, as well as back pain and to increase the stamina.

3.1 Online Questionnaire

The category for online questionnaire was identified as the residents of Brno region along with peripheral residents, which has defined some of the research specifics.

3.1.1 Research Scope and Background

In case of online questionnaire, Brno region was chosen, as the research is focused on identifying the target group in Brno and nearby accessible places. The total number of respondents reached 310 respondents.

The access and usage of internet is relatively higher in bigger cities in Czech Republic irrespective of the age group. According to Internet World Stats (2016), 87.5% of the total population are the active user of internet in Czech Republic. Hence online method of questionnaire distribution was selected for this research. The research intended to have Sample sizes representing each and every age group (as mentioned in the questionnaire) in equal manner. However, while distributing the questionnaire, social media (Facebook pages) were selected which restricted the data collection process from selecting respondents with respect to their age group.

3.1.2 Questionnaire Form and Explanation

The original questionnaire and the Czech translation of the questionnaire are attached in the Appendix 1 and Appendix 2.

The first question intends to find out the basic knowledge and understandings respondents have in their mind about the product and whether or not respondents are aware of the existence of the given product (yarsagumba). The second question examines the illnesses and health problems respondents have and suffering from, which they can choose from the list in the questionnaire. Similarly, the third question determines the degree of willingness of respondents to buy expensive medicine for the sake of their health. The fourth question serves to find out about the usage of organic medicines by respondents in their lives previously. The fifth question examines the preferences of organic medicines by respondents over chemically processed medicines. The sixth one tends to find out about the medium through which respondents used to buy/ buy organic medicines. The seventh question determines the preferred medium through which respondents want to buy the product (yarsagumba) in case if they want to buy it. The eighth question is intended to find out and generalize the reasons of respondents behind not preferring to buy the product from the

special organic shops in the city center Brno. The ninth question is to identify the age of the respondent, simply to make it easier for the further categorization. The tenth question is to make sure about the location of the respondents, whether or not they are from Brno or nearby area of Brno.

The list of diseases/illnesses enlisted in question no. 2 is based on the fact that many of the researchers and scientists have generalized the utilization of yarsagumba for the below mentioned health benefits. Specifically mentioning, according to S. Devkota in his book *Yarsagumba [Cordyceps sinensis (Berk.) Sacc.]; Traditional Utilization in Dolpa District, Western Nepal*, and yarsagumba helps to cure the below enlisted health problems:

- vii. Immunodeficiency
- viii. Heart disease
- ix. Asthma
- x. Hypoglycemia
- xi. Impotence or sexual dysfunction
- xii. Kidney disease

Therefore, those health problems mentioned in question number 2 were selected on the basis of generalization of different books, articles, and researchers' findings.

3.1.3 Data Evaluation

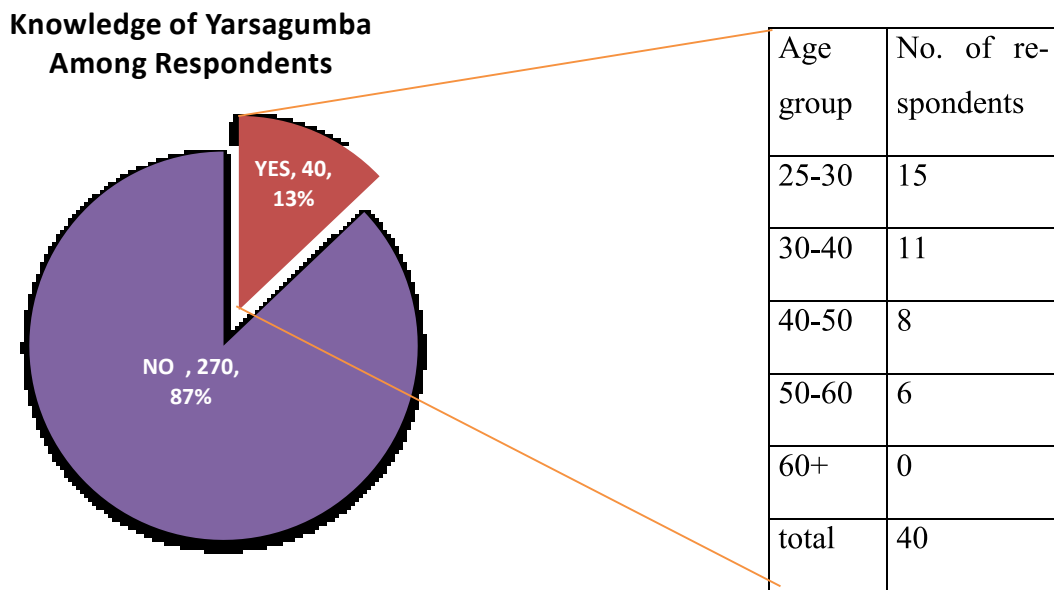
The total number of respondents who contributed in the 'online questionnaire' data collection method has reached 310 respondents from the minimum age of 25 to maximum of 60 (+). The online questionnaires were distributed among the total of 856 individuals, out of which 310 respondents submitted the completely filled questionnaire, giving result to the response rate as 36.2%. The table below shows the category of respondents with respect to their ages.

Table 1. The categorization of respondents with respect to their age

Age group	25-30	30-40	40-50	50-60	60+	Total
No. of Respondents	98	68	68	46	30	310
In percentage (%)	31.6129	21.93548	21.93548	14.83871	9.677419	100

The age group ranging from 25-30 comprises of the highest response rate with the percentage coverage with 31.6% whereas the age group with minimum rate of response i.e. 9.67% is 60+.

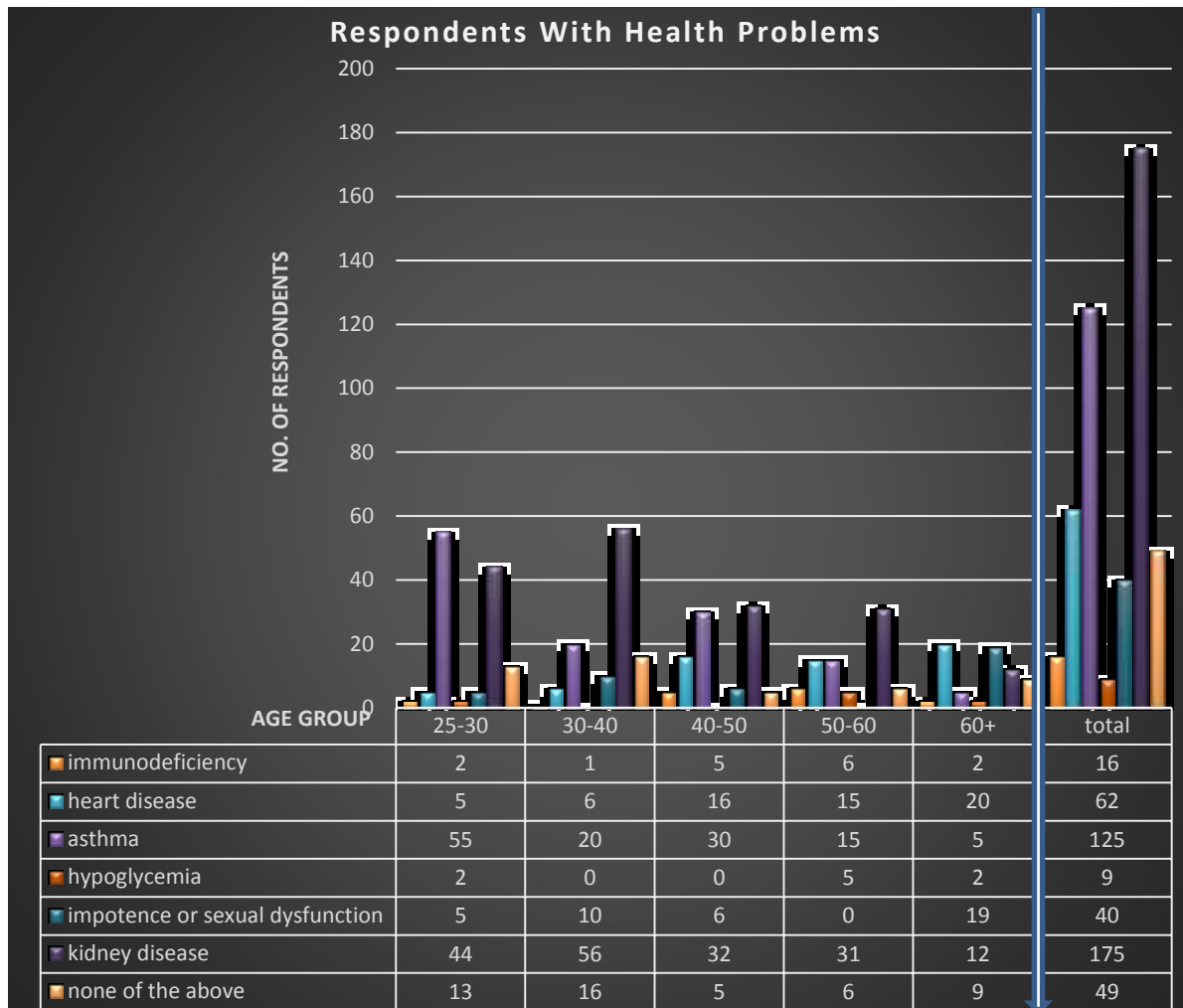
As described in the previous part, question no. 1 examines the basic knowledge respondents have in their mind about the product and whether or not respondents are aware of the existence of the product. The results are shown in the following pie chart with an extended attributive table (graph 1).



Graph 1. Knowledge of Yarsagumba among respondents. *Source: own research*

The above diagram shows how many respondents have heard of yarsagumba and knows one or few things about it. According to the diagram, out of 310 respondents, 40 respondents (13%) claimed that they know about yarsagumba previously whereas the majority (87%) comprising of 270 respondents do not know anything about the product. The younger generation consisting of working class people tend to know more about yarsagumba compared to the older ones. From the age group 50-60, only 6 respondents know about it and 60+ respondents have no idea about the product.

Question no. 2 examines the number of respondents suffering from illnesses that are provided in the list as an option for the respondent to choose. The results are illustrated in the following clustered column (graph 2).

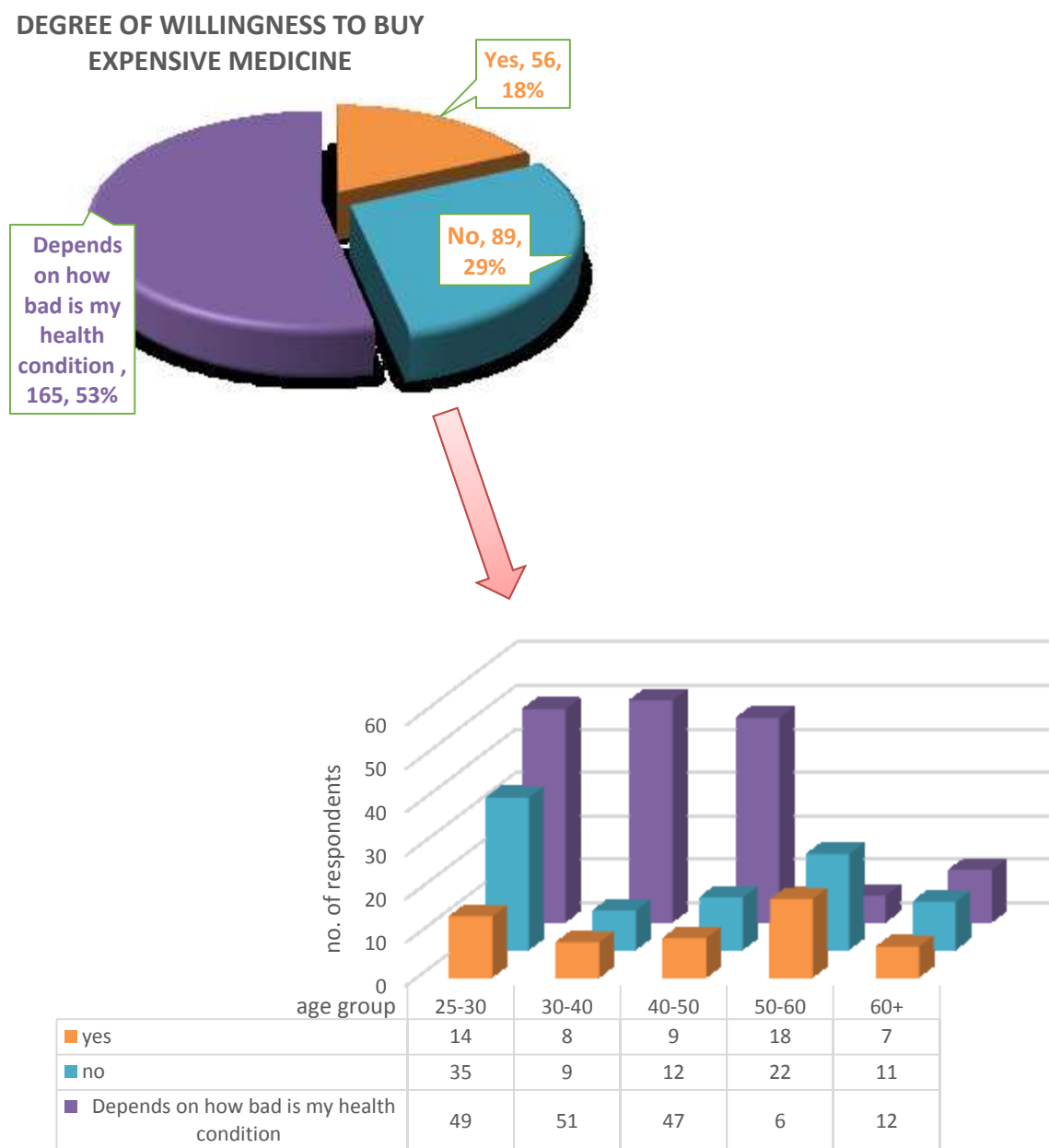


Graph 2. Respondents with health problem. *Source: own research*

The clustered column examines the level of health problems respondents have with them. The diagram demonstrates the following findings: 175 respondents suffer from kidney problem, of which the majority (56 respondents) belongs to the age group 30-40. Asthma is the 2nd disease with higher number of respondents (125 respondents) suffering from, of which 55 respondents belonging to the age group 25-30 comprises the majority of it. 62 respondents in total suffers from health disease, out of which the majority of victims are older generations (20 respondents from 60+ age group, 16 from 40-50 age group, 15 from 50-60 age group). 40 respondents out of which the majority i.e. 19 respondents from 60+ age group have sexual dysfunction and impotence problem. 16 of the total respondents have immunodeficiency health problem whereas very few respondents have the problem of hypoglycemia, this category comprises of 9 respondents with a highest numbers of respondents (5 respondents) suffering from this disease is from the age group 50-60. Out of the total respondents, 49 respondents do not have any of the mentioned health problems.

Majority of the respondents choose more than one health problem which means, with the abundant amount of awareness of the product, these respondents with illnesses are more likely to buy the product because with one product they can cure their multiple health problems.

Question 3 examines the degree of willingness of respondents to buy expensive medicine for the sake of their health. The results are demonstrated in the following attributive pie chart along with an extended clustered column (graph 3).

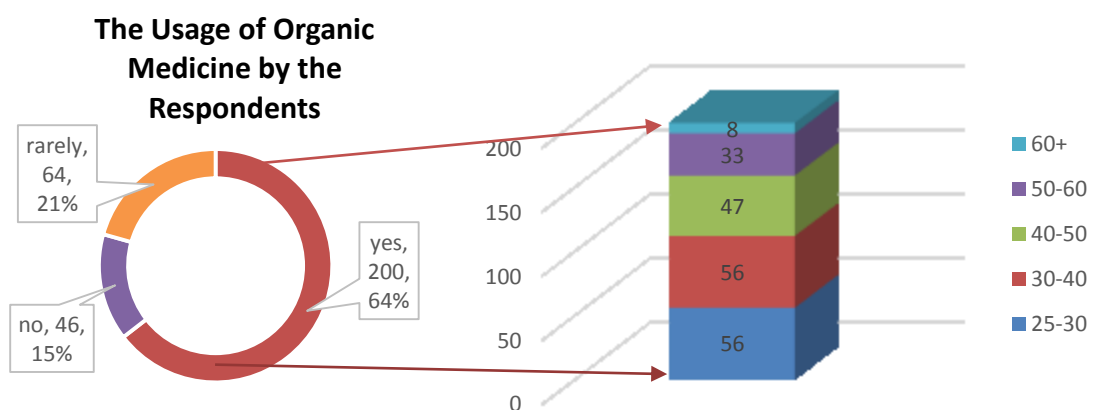


Graph 3. Degree of Willingness to Buy Expensive Medicine. *Source: own research.*

The diagram examines how willing the respondents are to spend a large sum of money for the sake of their health in respect with the age group. The diagram demonstrates the following findings: 18% (56 respondents) of the total respondents are willing to spend more for their health improvements whereas 29% (89 respondents) will not spend for expensive medicine. 53% (165 respondents) are dependent on the level of their sickness i.e. if the disease is too painful and affects their daily life, they are willing to spend more but if not then it's okay for them. The column shows that Respondents (18) of age group 50-60 are most willing to buy expensive medicine for their health compared to other age group respondents. Respondents belonging to age group 25-30 show little interest in spending money for their sake of health compared to other age group, the number of respondents reached 35. Similarly, respondents from age group 30-40 (51), 25-30 (49) and 40-50 (47) are highly dependent on the level of worseness of their illnesses.

The result of the graph suggests that when people are approaching towards old age, they are more worried about their health problems and do not mind spending money on medicines if those medicines can bring them even a little comfort in their regular life.

Question no. 4 determines the usage of organic medicines by respondents in their lives. The results are illustrated in the following doughnut shaped chart and stacked column (graph 4)



Graph 4. The usage of organic medicines by respondents. *Source: own research.*

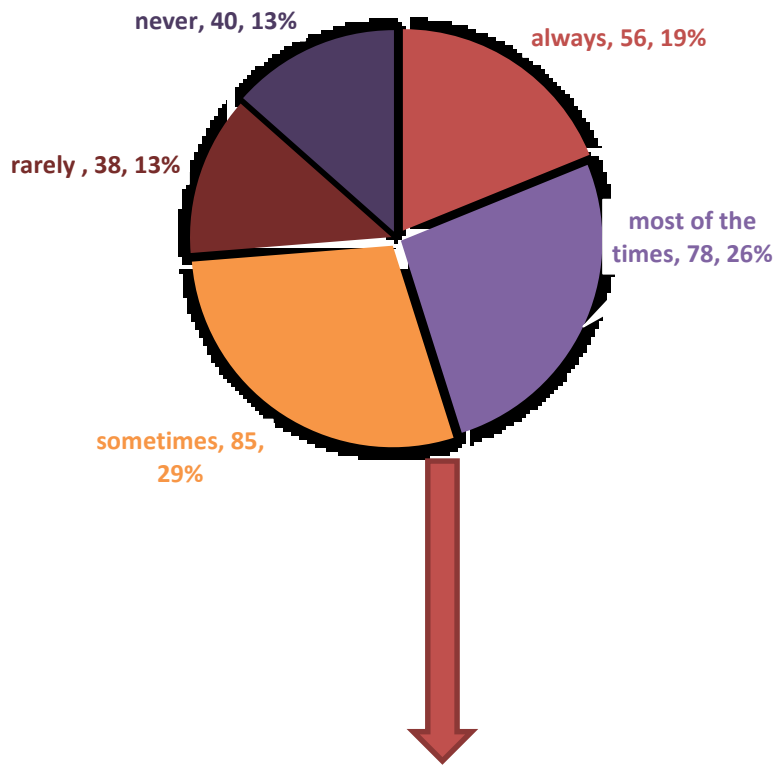
The above diagram examines whether or not the respondents have used organic medicine previously. The diagram demonstrates the following findings: 64% (200 respondents) have

somehow used organic medicine previously for several different reasons, whereas 15% (46 respondents) have never used organic medicines in their lives. 21% (64 respondents) have rarely used organic medicines before. Among the 200 respondents who said yes that they have used organic medicines before, the highest number of respondents (56, 56) belongs to younger or working class age group 25-30 and 30-40. Whereas only 8 respondents of 60+ age group have used organic medicine before.

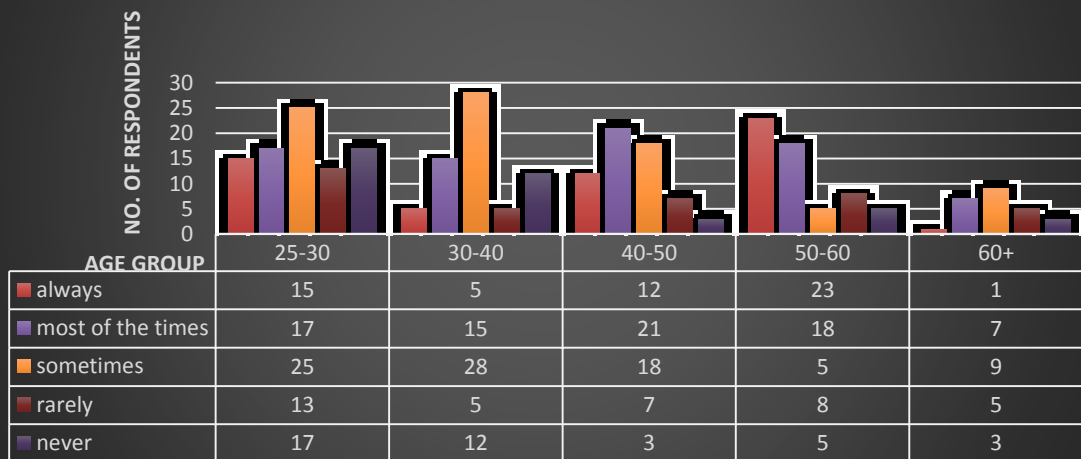
Younger generations are seen to be more inclined towards usage of organic medicines. According to the result shown by the graph, it can be concluded that the use of organic medicine is relatively a part of modern activities and a trending concept because younger groups of respondents used organic medicines often than older generation. One of the major supporting factor for this statement can be the burning worldwide issue of chemical component side effect of medicine in human body.

Question no. 5 examines the preferences of organic medicines by respondents over chemically processed medicines. The results are shown in the following attributive pie chart along with a clustered column (graph 5).

Preferences of Organic Medicines over Chemically Processed Medicines



Preferences of Organic Medicines over Chemically Processed Medicines according to the age group

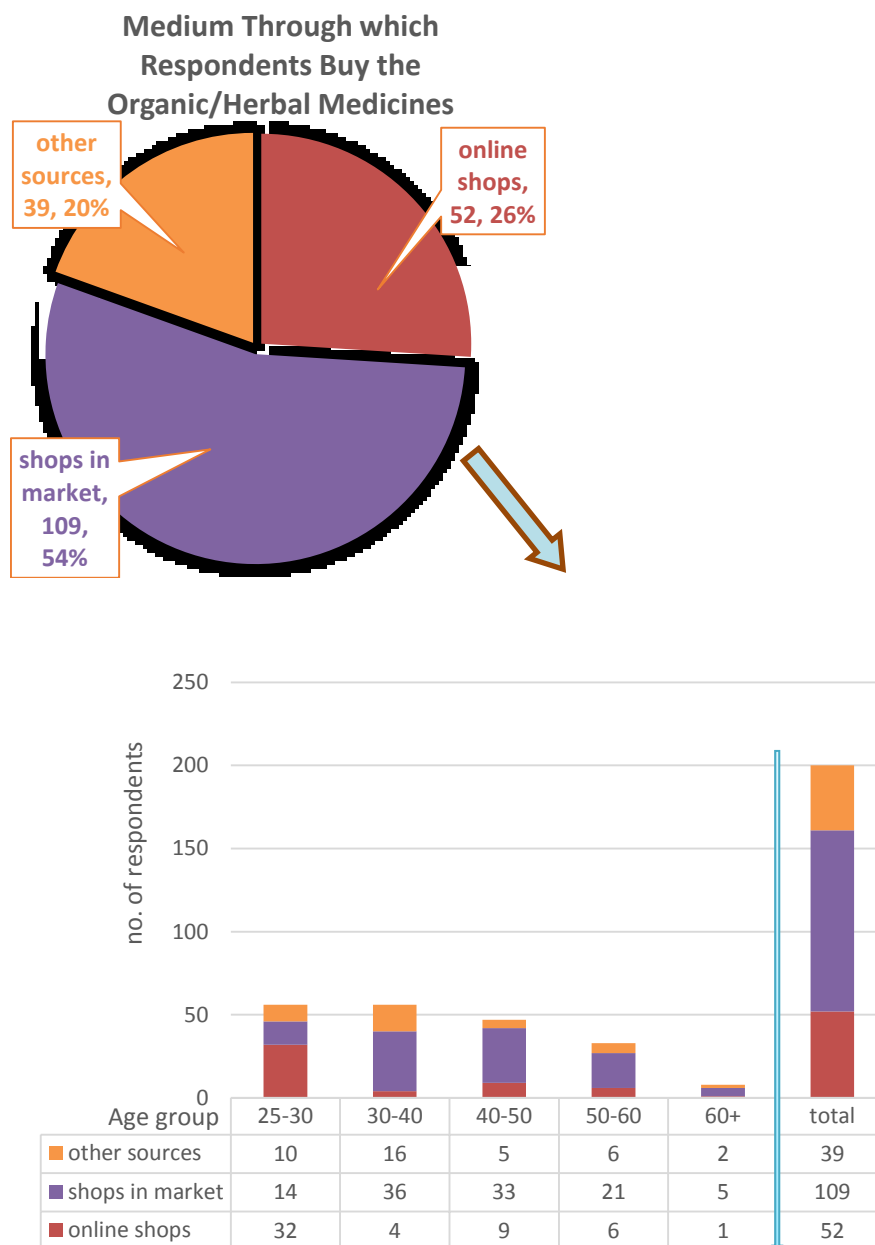


Graph 5. Preferences of organic medicines over chemically processed medicines by respondents. *Source: own research.*

The diagram demonstrates the preferences of organic medicines over chemically processed medicines by respondents. The findings are as follows: 19% of respondents always prefer organic over chemically processed whereas 26% prefers organic medicines most of the time. 29% respondents prefer organic medicines sometimes whereas 13% rarely prefer and 13% were so sure about preferring chemically processed medicine over organic medicines. Out of those respondents who said they would always prefer organic over chemically processed, the majority (23) belonged to age group 50-60 and the minority was 1 respondent from 60+ age group. Similarly, 21 respondents belonging to age group 40-50 constitute the major part of response claiming they prefer organic medicines most of the time. 28 Respondents belonging to age group 30-40 prefer organic medicine sometimes whereas the minority (5 respondents) falls under 50-60 age group. The younger generation (25-30) are less likely to prefer organic medicines since they constitute the major part of response (13 respondents for 'rarely' and 17 respondents for 'never') for not preferring organic medicines over chemically processed medicines.

When it comes to preferences, the result of the graph suggests that majority of people prefer organic medicine no matter of the fact if they have used it before or what kind of medicine they are using now. This finding can be very supportive in order to reach the research goal i.e. to find out the potential target group. Almost everybody (belonging to every age group mentioned) can be the potential target group upon the condition that they are provided with the enough amount of awareness about the product, because more or less everybody prefer organic medicine.

Question no. 6 tends to find out about the medium through which respondents used to buy/buy organic medicines. The results are demonstrated below in the pie chart with an extended attributive stacked column (graph 6).



Graph 6. Medium through which respondents buy the organic/herbal medicine.

Source: own research.

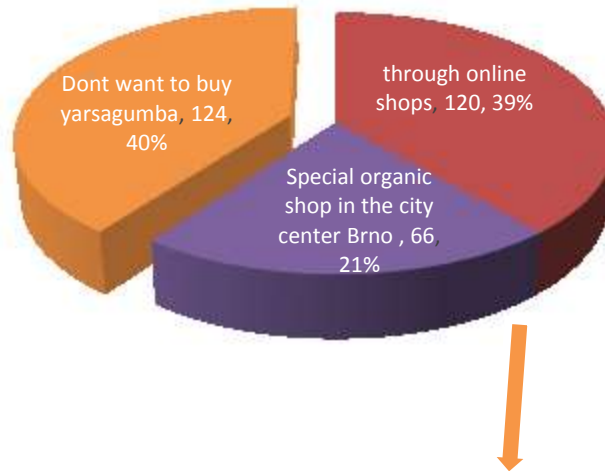
The above diagram shows through which medium the respondents buy the organic medicine. This question was only for those respondents whose answer to the 4th question (*have you ever used organic/herbal medicine?*) was ‘yes’ and the total number of respondents for this question according to the result of question no. 4 is 200 respondents. The finding demonstrated by this diagram is as follows: 26% (52 respondents) respondents buy their organic medicine from online sources whereas 54% (109 respondents) of the total respondents buy it from shops available in the nearby market and 20% (39 respondents) buy it from ‘other sources’. Respondents from age group 30-40 (36) and 40-50 (33) are more

likely to buy the organic medicines from the shops in markets. The younger generation (25-30) are more tilted towards buying it from online sources constituting the major part of response i.e. 32 respondents out of 52 respondents belonging to age group 25-30 buy their organic medicines from online shops.

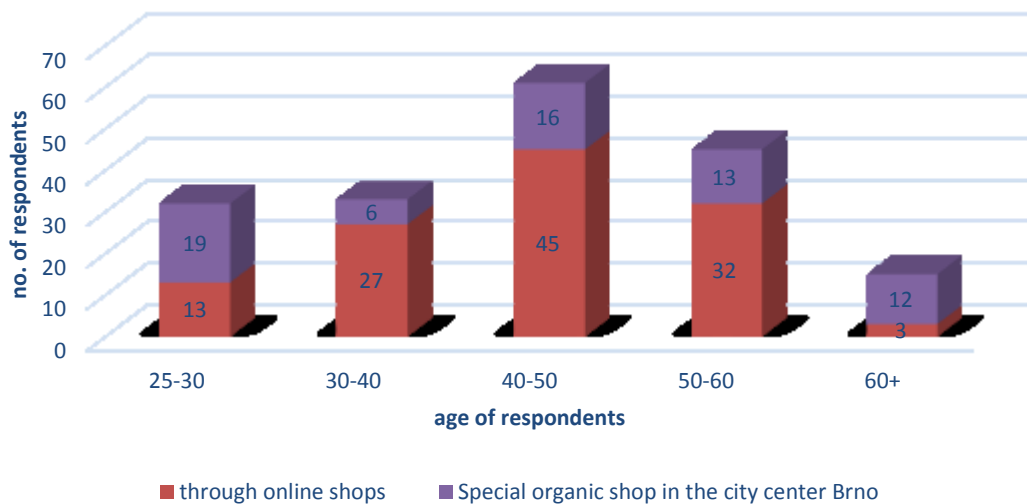
The result of the graph supports the fact that majority of the respondents who use organic medicine usually buy it from shops available in nearby market. From the figure of the data, it looks very promising that the identified target groups are more likely to buy it from shop in the Brno market, rather than buy the product online.

Question no.7 examines the preferred medium through which respondents want to buy the product (yarsagumba) in case if they want to buy it. The acquired result is demonstrated in the following 3-D attributive pie chart along with a further stacked column (graph 7).

Preferred medium of Respondents to Buy the Product



Distribution of Respondents According to their Buying Preferences with age group variations

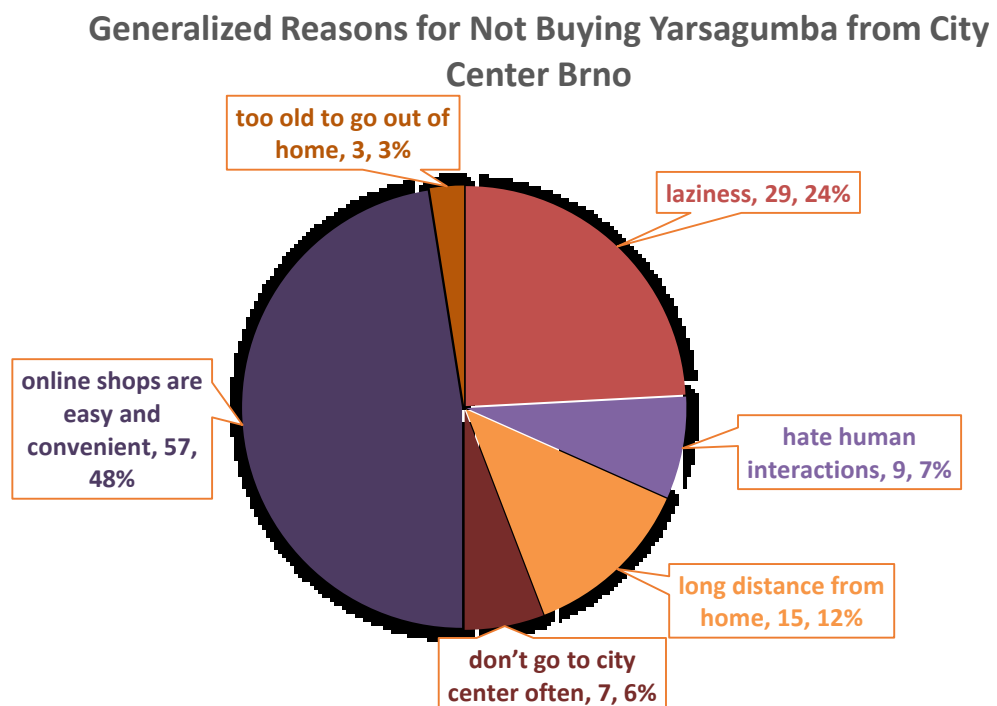


Graph 7. Preferred medium of Respondents to Buy the Product. *Source: own research.*

The diagram shows the preferred medium to buy the product of the respondents. The findings are as follows: 39% (120 respondents) prefer to buy yarsagumba from online shops whereas 21% (66 respondents) would prefer to buy it from the special organic shop in the city center Brno. However, 40% (124 respondents) of the total respondents are not willing to buy yarsagumba. The senior respondents equivalent to or over 60 prefer to buy it from special shop in the city center Brno (12 respondents). Respondents belonging to the age groups 30-40 (27 respondents), 40-50 (45 respondents) and 50-60 (32 respondents) are more likely to buy from online shops.

Relatively fewer respondents would prefer to buy the product from the shop in Brno market if they want to buy it compared to respondents preferring to buy it from online shops. Older generations seem to highly prefer to buy it from shop in Brno market.

Question no. 8 tends to find out the reasons of respondents behind not preferring to buy the product from the special organic shops in the city center Brno. The results are shown in the following attributive pie chart (graph 8).



Graph 8. Generalized reasons of the respondents for not buying yarsagumba from special shop in the city center Brno. *Source: own research.*

The diagram shows the generalized reasons of the respondents for not buying yarsagumba from the special shop in the city center Brno. This question was only for the respondent whose answer to question no. 7 (if you are willing to buy yarsagumba, how would you prefer to buy it?) was 'through online shops'. According to the result of question no. 7, 120 respondents (39%) prefer to buy the product through online shops, therefore the reasons shown in the above chart is the generalized version of the responses stated by those 120 respondents.

The findings are as follows: For 48% (57 respondents) ‘online shops are easy and convenient’, this reasoning is from the majority of the respondents, similarly another major reason for not going to special shop in the city center Brno is ‘laziness’. 24% (29 respondents) respond as their reason was ‘laziness’. For 12% (15 respondents), the city center is too far away, therefore it was a ‘distance issue’ with them. 7% (9 respondents) hated human interactions, therefore will not go to the shop in city center. 6% (7 respondents) stated that they don’t have any particular reason to visit city Centre, therefore just to buy the product (yarsagumba), they will not go to the special shop in city center. For a small number i.e. 3 respondents (3%), they are too old to go out of home, hence, will not visit the special organic shop.

The respondents have totally valid reasons for not visiting the shop, hence in future the shop needs multiple attractive elements to lure the identified target groups to the shop.

Question no. 10 determines the location of respondents, if they are from Brno or peripheral areas of Brno. Zip code of respondents’ location was asked for to fill in the questionnaire. The following image of map shows distribution of respondents with respect to their location (figure 6) and the table below shows the number of respondents from each mentioned addresses in the map (table 2)

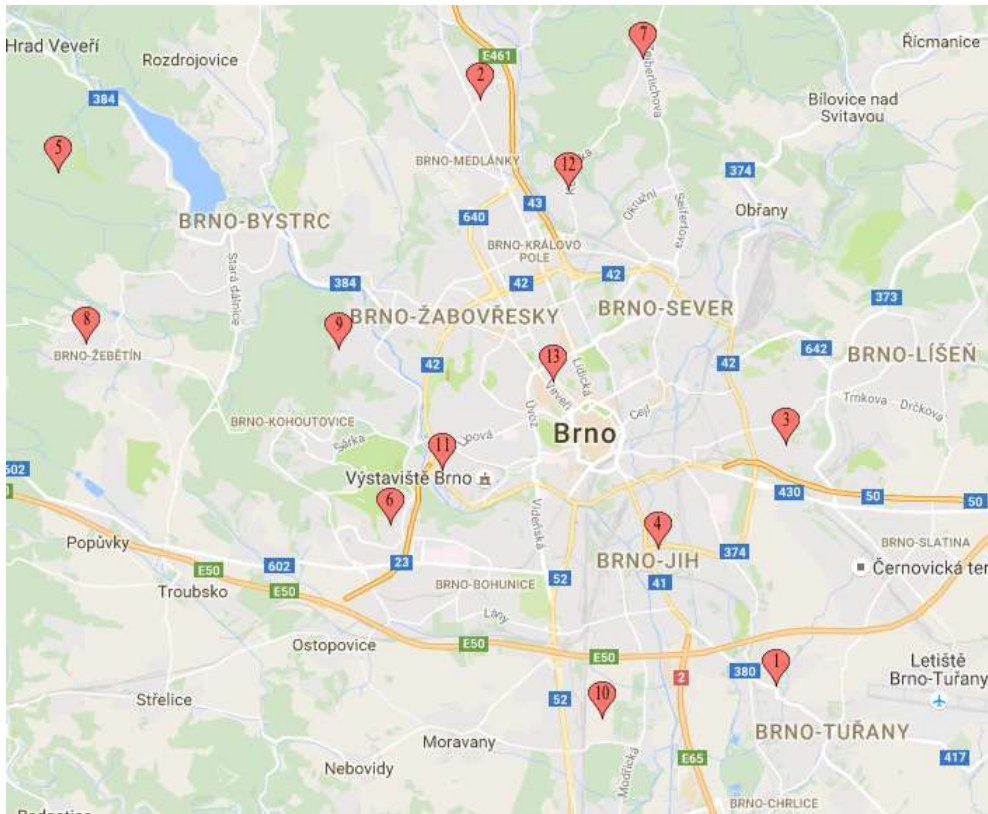


Figure 6. Distribution of respondents with respect to their location.

Source: own research

Table 2. Number of respondents with respect to their locations.

Serial no.	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Zip codes	620 00	621 00	636 00	617 00	635 00	634 00	644 00	641 00	637 00	619 00	603 00	612 00	602 00	
respondents	29	13	8	44	15	58	15	27	19	18	29	15	20	310

Source: own research.

The image shows the points in the map from where the all those respondents were. All those 310 respondents belong to these 13 areas (identified by the zip code provided by the respondents) pointed in the map as a serial number from 1-13. Only those responses from the respondents who were from Brno and the peripheral area of Brno were taken into account. The table 1 distributes the total number of respondents in respect to their location.

3.2 Face to face Interview

The second part of data collection method, face to face interview, which is qualitative in nature was conducted alongside with the online questionnaire method.

3.2.1 Research Scope and Background

As for the focus-group interview, 15 individuals were chosen at random (but considering the age group variations), to know their opinions about the product and the buying behavior of consumers as well as the willingness to buy it. The interviews were moderated by myself as I was the research conductor.

Even though the selections were done at random, some basis criteria had to be fulfilled in order to select the interviewees. Hence, the following mentions are the criteria on the basis of which those 15 individuals were selected as the perfect candidates for the research.

1. Age group variation is the major factor and must be considered. i.e. not 2 individuals of same age should be selected, each age group must have at least one interviewee because one of the major goal of conducting face to face interview was to include the sample groups belonging to each of the predetermined age group
2. The selected individual must look like he/she has some spare time to spend on this research (at least 20 mins). All those individuals who look like they're in rush or in hurry to be somewhere, must be eliminated from the selection group.
3. Selection of heterogenous group of individuals must be taken into consideration, i.e. the selected group of individuals must represent variety in respect to age, culture, profession, gender, modernization or conservative nature etc.

After the consideration of above mentioned criteria, 15 interviewees were selected out of which 3 interviewees belonged to 25-30 age group, 4 were between 30-40, 3 interviewees were from age group 40-50, 2 belonged to age group 50-60 and 3 interviewees were of age 60+.

All the interviews took place in different parts of Brno city. Public places like central park of Brno and small neighborhood parks nearby the city center were chosen as one of the best place to conduct interview with senior citizens and individuals with leisure time to spend on, for the research. Similarly, Olympia shopping center of Brno was chosen as the second most important destination for the conduction of interview because of its popularity and chances of meeting people with different personalities, knowledge level, interest areas

etc. Inside the mall were 2 different shops for organic medicines, their staffs and owners were selected as interviewees. Interviews were conducted with the owners and staffs of those shops along with some of their customers. Those shops were chosen as one of the important area for the research because those shops were presumed to have adequate knowledge about yarsagumba and the possibility of market status of it in future.

Other areas of Brno city were not taken into consideration because those chosen areas were sufficient for the required diverse interviewees for the research purpose. Furthermore, the size of the sample group was not big so, only the chosen areas suffice the required numbers of interviewees for the research.

3.2.2 Interview Structure

Face to face interview is a qualitative method of research, which is way more deep and complex in nature. The interview conducted was semi-structured interview, i.e. the questions were asked to the interviewees according to the already prepared questionnaire sheet, but additional questions were asked depending on the responses they provided for the asked questions. In order to gather more helpful information about the research, some additional questions were asked about their personal preferences, their resonings, recommendations or simply comments over the given product which made the interview quite longer (in some cases). The set of additional questions (than in the questionnaire) those were planned to be asked to the interviewees are as follows:

1. What is the main reason that you will not spend large sum of money for the sake of your health, share your honest reason?
2. If you are not willing to go to Brno city center for the shop, is it because of the reason that you don't want to buy it or is there something that needs to be done with the price, product and place.
3. Do you think, in future, it can be a profitable business?
4. Do you think for more awareness among the mass, a hugh sum of money should be spent on advertisement. After that, people will buy it or do you think, still not many people will buy it.
5. Do you have any recommendation to make it a successful business in future?

3.2.3 Preparatory Activities

In order to conduct a successful interview, it took a measurable amount of effort. As a research conductor, I had to moderate the interview each time and because of the fact that Czech language was required to communicate with the locals, arrangement of a translator (English to Czech language and vice versa) was the primary job for the interview. Therefore, the whole process of interview was assisted by a Czech colleague. Warm greetings, and some amount of informal talks about common topics (nature, leisure time etc.) in order to form a friendly bonding and breaking the ice to get their honest opinions were some of the infield preparatory activities which took about 10-15 minutes of the interview process. All efforts of me as a moderator were concentrated on creating and maintaining an informal, friendly and cheerful environment which is opened and tolerant to every opinion and idea. Somehow that approach seemed to have worked, it helped greatly to increase the interviewees' participation in answering the questions and providing their honest opinions along with some recommendations.

In the beginning of every interviews, the purpose of the interview along with the introduction of the product were made clear to interviewees. Furthermore, confidentiality of the provided information was something that was highlighted in the beginning.

During the ongoing process of interview, the interviewees were subsequently addressed with the above listed questions along with the questionnaire and additional questions that were arose by their response to previous questions. The time spend on each interview differed according to the interviewees' personalities.

3.2.4 Interview Process

Very few interviewees (2 out of 15) seem to have known the product yarsagumba beforehand but the knowledge they had about it, was very limited, it can be confirmed that they have only heard about it, just the name of it once or twice in their lifetime. Their answer to the question if they know about the product was "*... yes, since I work in organic herbal shop, I have heard about it but if you are going to ask more about the product, let me tell you I don 't know anything about it except for the name*". The other response was like this: "*...yes I know that yarsagumba is one of the most expensive herb and it is from Asia*". The interviewee seems to have no idea about how it looks like and for what purpose it can

be used. Most of the responses to the question about knowing what yarsagumba is, was *“no, I have heard about it for the first time, what it is?”* *“I have absolutely no idea about the product...”*, *“I don’t know about it, as you can see I can hardly pronounce it.”*

When the interviewees were asked about their health problems, most of them hesitated to share about it but as the concern of confidentiality of data was put in front of them, they began to mention about it. It seemed like the older people are more comfortable sharing their health problems compared to the working class age group. Older interviewees were curious about the fact that the product can cure sexual dysfunctions, they seemed rather excited about it whereas younger interviewees were a little uncomfortable when the topic was mention and they generalized the health problems. One of the interviewee’s response towards what kind of health problems he had, was *“...nothing in specific, same like the other people have, I easily get tired, fatigue etc...”* “But the same interviewee, after being a little comfortable with the interview process, mentioned that he has kidney problems, since he is a heavy drinker. Most of the interviewees between the age of 25 and 40 mentioned that they visit gym at least once a week and they realize that they don’t have the required strength for it. When the fact about the product that it helps in increasing the immunity power resulting in higher strength level in completely natural way without any side effects, was mentioned, they were positive that they would like to try it once. Their responses were like this *“...seems interesting, I would like to try if it is made available because I simply don’t want to look old and feel old...”*, *“...wow really! I would love to try anything that is organic so far”*... therefore the common health problems interviewees had, were kidney problem, immunodeficiency, sexual dysfunction and heart problem.

Most of the responses to the question if they are willing to buy expensive medicine for the sake of their health were *“...as long as the insurance company will cover it, I will buy it.”*, *“...it depends on how much my health problem will bother me, if it is going to disturb my daily life, I have to spend money for my health obviously...”*, *“I will buy it as long as the price is reasonable and effective to solve the health problem...”* “some interviewees were so confirmed that they would do everything for the sake of their good health. They mentioned that good health should be the greatest treasure for every human being. All those interviewees for whom health was of great importance belonged to age group 25-40, they seemed more energetic and positive towards betterment of their health and also they were the ones who wanted greater strength in gym. Some of the interviewees were so sure that they will never spend much for health, their responses looked like this *“... I have a*

family to support financially, I cannot afford to buy expensive medicine especially when I have disease like, dysfunctioning kidney. I know it is because I drink alcoholic beverages heavily on a regular basis. Once I will stop it, I will not have health problem, hence I will not pay more for health. “

“ I don't have so much money; therefore, I would buy food instead of the medicine. “

Some of the interviewees were asked additionally if they would buy the product if it was cheap or normal price, their responses were „*...no, even then I would not buy it because I don't believe in organic medicine, those are for health pretentious people. If I have some health problems, I would simply go to pharmacy to buy a pill. “*

“ I would still not buy it even it was cheap because most of the organic medicine are from china (Asia), I don't trust their quality or product... “

To the question if they have ever used organic medicine in their life, most of the interviewees have had positive responses. Since there are countable numbers of organic shops in Brno, nobody is new to the term ‘organic medicines. However, majority of the respondents have used it just because somebody bought it for them and various other unusual reasons but after using some organic products, they ended up not liking them and their conclusion was organic medicines are ineffective, pretentious and unreasonably expensive. But there were few respondents who had never tried organic medicines. When they were asked about the reasons for not using them, they replied, *“...my friend recommended me not to use them because she had bad experiences with organic medicines. “*

“.. Quite frankly they don't appeal to me, they have their exterior always in dull color... “

“...I have never used organic medicines because I have always been healthy, I choose only healthy foods, hence I have never been seriously ill”

Most of the interviewees, especially older age groups mentioned that they prefer organic medicines over chemically processed medicines most of the times or always. They believed that organic medicines do not have side effects and have good results in long term usage. But there were some interviewees belonging to 25 until 40 age group whose preferences were chemically processed medicines, some of their exact replies were „*...chemically processed medicines heal faster and effectively than organic medicines.”*

“Often chemically processed medicines are recommended by doctors...”

“Organic medicines are unreasonably expensive most of the time and my friends once told me that they are not effective enough compared to chemically processed medicines. I think chemically processed medicines do not have visible and long term side effect. For me they are fine for now. May be in future I might change my mind, let’s see. “

It seemed like all they want at that age was to have their pain removed from their body, hence they don’t care about the slow healing process of organic medicines.

The question about the place from where they buy organic medicines was not for all interviewees, it was asked to only those interviewees who claimed that they’ve used organic medicines previously. Most of their responses to this question was „ *“from shops available in market areas”* Their exact responses were, *“...I love to visit those organic shops in markets, whenever I am there, I get to see so many new things which I didn’t even know existed. “*

“...I love to learn and see new things and in organic shops I see things which I can never find in other shops, additionally they always smell good...”

“...when I visit those shops I usually buy more things than what I needed, and most of the times I buy it for good health of whole family which we all can use and my family members are always surprised from where I get those beautiful medicines, I love to see them amazed and surprised...”

Usually for senior citizen, visiting organic shop is like recreational activities just because they can find there amusing things that they can never find anywhere else. Similarly, some younger (25-30 age group) interviewees mentioned that visiting organic shops is one of the calming and relaxing activities for them, the atmosphere and products available in the shops are soothing for their mind and body, hence they would prefer to visit the shops rather than buying it online. Some of the interviewees stated „

“...I am usually very busy with my work, if I need some organic medicines I order it online so that I don’t have to waste my time visiting different shops and searching for the thing I need...”

From all of the interviewees, those who are working and do not have leisure time to spend on anything, buys their organic medicines from online shops and for the older generation, since they have few obligatory places to go to, they prefer spending longer time to visit organic shops and utilize their leisure moments. The response of one interviewee was,

“...I have one friend who is hyper enthusiastic about organic medicines and he seem to be know-it-all in that matter, when I need some kind of organic medicines, I asked him to get it for me and he does, I don't know from where, now I am wondering though...”

Very few interviewees had some other sources to buy organic medicines.

After knowing where the respondents buy their organic medicines from, they were asked where would they prefer to buy yarsagumba if made available in shops (in Brno city center) as well, given the premise that yarsagumba is available in online markets for the interested customers to buy. This question was asked to every interviewee, even to those whose answer to the question ‘have you ever used organic medicine?’ was ‘NO’. The frequent answer was ‘from shop in city center Brno’. The interviewees did not deviate their answer from question no. 6 ‘where do you buy the organic medicines?’ Most of the answer to that question was from shops in market and to this question, the same interviewees were consistent to the answer that they would be glad to buy it from shops rather than from any other sources. The exact responses were ,, *“... I would obviously buy it from shop in city center, I would be more than happy to see all forms of products from yarsagumba, I am excited about it because I don't know anything about how it looks and how it will cure my diseases. “*

“...I would like to visit the shop since I don't trust the quality from online markets, I have been victimized by the poor quality products from online shops... “

“.. Visiting the shop in the city center would be better for me because I have my workplace in city center, hence I can visit it in my lunch time... “

“...even though I live far away from city center, I have to visit city center once a month for my business affairs, so I would probably prefer to buy the product from that shop. “

“... I am usually meeting my friends on weekends in some pubs near city center, if I will need the product, I think I would visit the shops rather than buying it from other sources “

Very few interviewees mentioned that they would buy it from online sources like they used to do. In their opinions, online shops are rather time efficient, convenient and trustworthy to some extent. All those in favor of online shops were working class people with modern thoughts and modern approach to life.

When the interviewees were asked about the reasons why they would not buy the product (in case of need) from the shop in city center Brno, variety of answers were given by them.

This question was asked to only those interviewees who chose to buy it from online market or other sources. The major reasons were time value and longer distance. The interviewees replied: 'I am working 8 hours per day and sometimes even in weekends,

“ I really do not have time for anything. Even in the case that I would have my health in bad position, I would care less about it, thank god I am healthy until now... ”

“...I would not buy in from the shop in Brno because I prefer online shops, there, I will just find it and click it, I need not travel to city center just for a small product. ”

“...I live 30 km away from city center and I work just nearby my house. I rarely visit city center unless and until it's some kind of festival, actions or Christmas market. That is why I would not go there only to buy the product, it would be convenient for me to buy it from online market or other sources. ”

When the interviewee was further given choice that if the shop would be somewhere near, would he bother to visit the shop and buy the product there, his response was „ *“...in that case may be I would visit the shop but still it depends on if I will need the product desperately... ”*

Interviewees were additionally asked to express their opinion about future success of this business. They expressed their honest opinions which was asked of them, since by the end of the interviews they had built trust bonding and started to be comfortable. Most of their opinion looked like the following:

“...honestly speaking I don't think this business will get a breakthrough in such a competitive market like Brno with the limited number of potential customers, but we never know the future, giving it a shot might result positively.... ”

“. In the beginning when you asked me about the product which I had absolutely no idea of, I thought this business will be a complete failure. Now that I know what is it for and how important it is, I think this business can grab a productive market here with a little effort on advertising and attracting the consumers who need it desperately... ”

“. Yes, it can be good business but the only important thing to consider is to find the right place and right customer... ”

“In my opinion, it will not be a profitable business because very few people I know invest money on organic medicines, the rest of us are just satisfied with what we get in pharmacies... ”

“...with a lot of hard work anything can be possible, why not this business... “

“...Since I am a businessman myself, I think it would be bad idea to start this shop because it looks like high level of investment since the product is expensive in itself, and low returns.... because of lack of customers but somehow if this business can manage to attract as many customers as it can, then it can be profitable in future. Hence more attention should be given in attracting more customers...”

All the interviewees at the end looked very happy to have been a valuable contribution to the research process.

3.2.5 Conclusions and Research Findings

Marketing research done with a mixture of qualitative and quantitative data collection methods conducted within the framework of this diploma work provides an essential analytical basis for the future prospects of yarsagumba in the market of Brno. All of the outcomes serve as an insights' source which need to be accounted in order to have the first ever shop totally dedicated to launch the product yarsagumba in the market of Brno, successful.

Addressing the research objectives, the quantitative data collected through online questionnaire helped to identify the target groups for the given product yarsagumba as well as helped in building a fine portrait of prospects of future success of the product in Brno market. Only a quarter of a half residents in Brno know or have heard about the product, the rest of the population should be made aware of the product and its usage. From the result of the collected data, it can be concluded that quite a lot of people in Brno are suffering from illnesses that can be cured by the product yarsagumba. This fact is also supported by secondary sources of data mentioned in Appendix 3, which show the data regarding the sickness of Brno people (Jihomoravsky kraj) as a part of secondary data from an anonymous Czech survey company. But just because they have illnesses does not confirm that they will buy the product from the shop (if made available), their willingness to buy it, had to be measured. From the collected data, coefficient of correlation (r) was calculated assuming:

X variable as the illnesses those respondents have and,

Y variable was taken as their willingness to buy expensive medicine for the sake of their health.

The result of coefficient correlation (r) is 0.09 (negative). The result was completely negative which means they will not buy the product even though they have illnesses that can be cured, hence the potential target group are less likely to consume the product.

The target group was identified on the basis of the analysis of the following conclusive table of the whole research.

Table 3. Conclusive table of the whole research.

Questions	25-30	30-40	40-50	50-60	60+
Total no. (%)	31.6%	21.9%	21.9%	14.8%	9.6%
Know about yarsagumba	15%	16%	11%	13%	0%
Have illnesses and willing to buy expensive medicine	14%	11%	13%	39%	23%
Have already used organic medicine	57%	82%	69%	71%	26%
Prefer organic medicine	32%	29%	48%	89%	26%
Buy organic medicine from shop	14%	53%	48%	45%	16%
Prefers to buy the product from shop	19%	8%	23%	28%	40%

Source: own research.

The above table is the conclusive model of the whole research, by analyzing which, the identified target groups, i.e. the most potential buyer of yarsagumba, are the people belonging to age group 50-60. In the table above the age group 50-60 scored the higher percentage in overall, through in-depth analysis after relating each and every aspect with one another. They were identified on the basis that they have illnesses and they are willing to buy expensive medicine for it, they have already used organic medicines which means they trust those medicines and prefer them. And the most important factor (regarding the research) is that if they want to buy the product, they will be buying it from the shop in Brno (not from online source and any other sources).

The selected qualitative method of data collection which was face to face interview, aided in analyzing the situation in more explanatory way. The reasoning about why or why not the consumers will/will not visit the shop were made more clear and their psychological concerns about what they think of the product were made transparent by the use of this method. Results of this deep analysis provided the following outcomes. Even though people don't know about the existence of the product, once they are made educated about it, they are willing to buy it for the fact that they have illnesses in them to certain level and they want to cure it permanently. Older generation starting from the age of 50 are more likely to buy the product because they have tried organic medicines and their effects previously, hence prefer organic medicines over chemically processed medicines. The trend of online marketing is a rising phenomenon in Brno, this fact is supported by an anonymous survey company whose result is mention in Appendix 4. Younger generation starting from the age of 25 until 40 are attracted towards online markets because of scarcity of leisure time in their life and also because online shops are easy and convenient for them. But surprising finding of the research is that the older generation prefers to buy the product from shop in Brno because visiting shops is a part of recreational activities for them. The major reasons according to the findings of the research for people not to buy the product from the shop is because of scarcity of time and distance issue. Hence opening numerous shops in more convenient places may result in future success. Overviewing every aspects and circumstances of this research, there is one thing that can be concluded about the future success or prospect of yarsagumba in the market of Brno; the business idea of introducing yarsagumba in the market of Brno (2nd biggest city in Czech Republic) for the first time, carries potentiality of being profitable and successful but only after a tremendous amount of hard works especially in the area of awarding people about the product and advertising in such a way that is intolerably attractive for the identified target groups (people belonging to age group 50-60). Hence, with an incredible amount of efforts put into awarding people and advertising the product in a right manner, the prospect of yarsagumba in the market of Brno seems bright and successful.

III. PROJECT

4. PROJECT BACKGROUND

In order to promote the product for the success of the business, a project is thought to be the necessary step to be taken. Hence, the project is completely dedicated for the promotion of the product among the Brno Residents and specially targeting the identified potential customers. All of the activities related to the project would be carried out in Brno, as the shop is only centered to serve the Brno Residents and the Residents of the peripheral areas. The project is expected to be carried out from the 1st of January, 2018.

4.1 Objective of the Project

The objectives of the project are as follows:

1. To create awareness among Brno residents about yarsagumba and its health benefits in order to increase the number of Potential Customers.
2. To lure or attract the identified target group towards the shop in Brno.

4.2 An Integrated Marketing Communication Campaign

The project's integrated marketing communications plan is prepared strategically, on the basis of research and creative thinking. It is designed to target the market segment that falls within the identified target audience (on the basis of the conclusion of the analytical part of this research) and is purposefully crafted to address the lack of awareness amongst Its target market and to further expand the market segment by attracting completely new variety of customers.

The plan outlines strategies and tactics for 2018. It consists of an introductory 'Yarsagumba for your Health' phase that increases the awareness of the Yarsagumba Product with a combination of direct marketing and printed outdoor advertising. As one of the effective and inexpensive way of direct marketing, distribution of Flyers is chosen for this project. A flyer is a form of paper advertisement intended for wide distribution typically in a public place, which is usually handed out to selected individuals. The major advantage of flyer distribution is that the customers to whom the flyers is distributed can be filtered in an effective way which helps in reduction of advertisement cost.

The other part of the Integrated Marketing Communication consists of the Printed form of advertising. Magazine advertisement is one of the popular advertising tool which is old

method but still effective. People who read magazines have a tendency to browse the print ads that they come across. The decision to buy the product might not be instantaneous, but it does settle down in their subconscious mind. Next time they see the product in the market, they are tempted to buy it. Therefore, one of the Czech Health Magazine is chosen for the Magazine ad as the product is related to health benefits.

Mall advertisement is one of the printed outdoor advertisement which is becoming more and more popular day by day. The popularity of this advertising tool among the advertisers is based on the fact that the exposer of the advertisement is at least among 3000 customers per day in bigger cities. For the project, specifically *Sky Banner* inside the mall is chosen, because sky banner is hanged from the topmost part of the building (mall) and its visible from distant as well which is again more exposed among the customers.

Therefore, the project is the complete integration of these three above mentioned media plan for the promotion of the product Yarsagumba. Throughout the whole process of the project, a consistent message about the product will be displayed through three different marketing communication channels.

4.3 Marketing Communication Strategy

This part of the project deals with the selected tools and method of marketing communication selected specifically to address the potential target group. In order to achieve the objective of the project which is to aware the potential customers about the existence of the product yarsagumba and at the same time attract new sets of customers, the following mentioned promotional media tools are selected for this project:

4.3.1 Mall Advertisement

Mall Advertisement is chosen as one of the most effective way of communication with the customer regarding the product because through this tool, the advertisement of the product would get the highest amount of exposure on a daily basis. Creating awareness among the identified target group through the sky banner in the malls is the primary target of this promotional tool but at the same time there is high possibility of attracting new group of potential customer through this promotional tool. Therefore, the following shopping malls in Brno are chosen for the purpose of Mall advertisement:

1. Galerie Vankovka

Address: Vankovce 1, 602 00 Brno, Czech Republic

2. Olympia Shopping Mall

Address: Dalnice 777, 666 42 Modrice, Brno, Czech Republic

3. Avion Shopping Park

Address: Skandinavska 6, 619 00 Brno, Czech Republic

Total of 3 Banners of size 5×9 m would be in each of the above mentioned malls. The design of the Banner is mentioned in Appendix X.

4.3.2 Flyers

Distribution of Flyers is chosen as one of the most appropriate tool for advertising the product in regard with the advantage that through this direct marketing communication tool, the potential customers can be filtered and targeted (according to the pre-determined characteristics of the potential customer). The flyers can be distributed only to those who show the characteristics of becoming the potential customer of the product. The venue selected for the distribution of the flyer are near the entrances of:

Galerie Vankovka

Olympia Shopping Mall

Avion Shopping Park

The anticipated staffs needed for the distribution of the flyers are 3 (one in front of each venue) and the anticipated flyers distribution days are 3 days in a week. 3,000 pieces of flyers are expected to be distributed per week. The design of the flyer would be the same as in the Mall Advertising and the Magazine Advert and the size of the flyers would be 175×120 mm.

4.3.3 Magazine Advertisement

According to the NOP World Culture Score Index (2016), Czech people spend 7 hours and 24 minutes reading magazine or books per week. As the targeted potential customers belong to the age group 50-60 one of the most effective tools for communicating with cus-

tomers can be the published advert in Magazine. Therefore, one of the popular Health Magazine namely *Moje Zdravi (My Health) Magazine* is chosen for advertising the product. The reason behind particularly choosing this magazine is because the product is about Health benefits and this magazine is responsible for publishing Health concern matters. *Moje Zdravi* is a glossy Czech magazine which is issued once a month and the advertisement size of the product chosen is 88×78 mm which is 1/6th part of a page.

4.4 Targeted Market Segments

The targeted market segments of the project Yarsagumba can be divided into two different parts:

The first market segment consists of the identified potential customer who are the residents of Brno and the peripheral areas between the age group of 50-60. The potential customers were identified on the basis of the analysis of the collected data and by correlating their responses to each and every questions stated in the questionnaire.

Apart from the identified potential customer, all other residents of Brno possess the equal chance of being the customer of the product Yarsagumba as well because more or less young generation have curable diseases in them and with a sufficient amount of awareness and availability of the product, they are willing to buy it too. Possibly the highest consumption of the product among the younger generation would be made by the athletes or consumers having higher priority of being healthy. Therefore, the second part of the market segment consist of the unidentified customer.

4.5 Budget Allocation and Substantive Content of the Project

This part of the project deals with the budget allocation of the project to different expenditure headings and the activities time frame of the project which is projected in a tabular form.

4.5.1 Project Budgeting

Considering all the proposed media plan and all the necessary professional and human resources, the following promotional budget was composed according to the actions required for media plan implementation.

Table 4. Actions plan budgeting.

Expenses Heading	Unit	Price (kc)	Total (kc)
Employees salary	3	15,000	45,000
Renting space for Mall Banner (for 4 weeks)	3	18,000	54,000
Banner Printing	3	1,500	4,500
Flyers Printing (per month)	3,000	25	75,000
Magazine Advert printing	1	38,000	38,000
Miscellaneous	-	5,000	5,000
Total			236,500

Source: Own research.

Cost related to launching the shop itself including the initial capital needed for the purchase of the product was excluded in the above mentioned budget table as the cost is not exactly the part of the project. The project only concerns about the promotion of the product in the Brno Market.

4.5.2 Project Activities Timetable

Based on the proposed media tools and its implementation, considering the terms for effective promotion (Jan 1-June 2018), the following media plans and activities are scheduled.

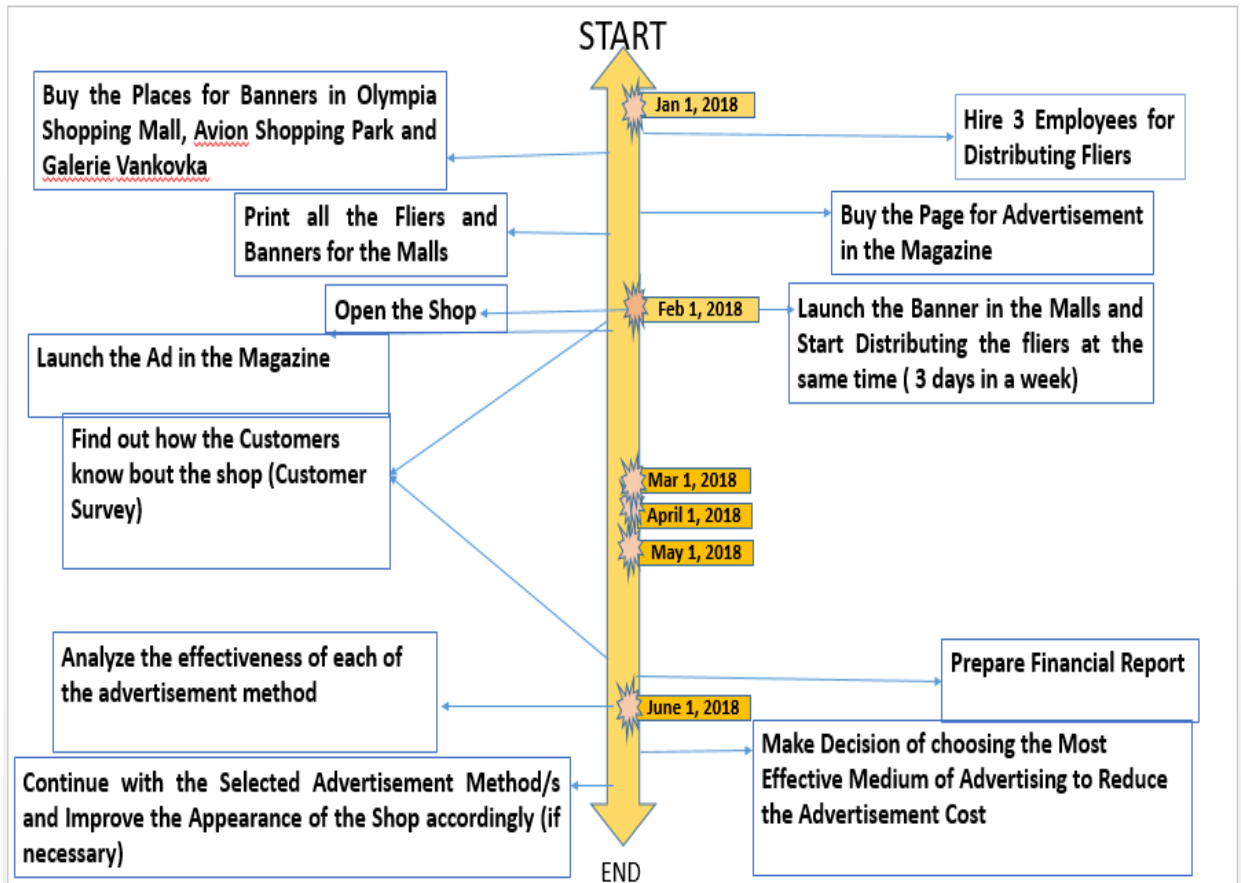


Figure 7. showing the Project Activities table. *Source: Own research.*

4.6 Exporter from Nepal

In order to have the project successful, the continuous supply of the product must be taken into consideration as the product is not easily available in nearby convenient store or market. For the authenticity of the product one of the reliable company for supply of the product is chosen on the basis of their online review and affiliation to legal authority (government of a nation). The name of the company is: National Exports Private Limited (National Exports Pvt. Ltd. / NEPL). It is an export company located in Kathmandu, the Capital city of Nepal and is one of the most trusted exporter of Nepalese products which include Soap Nuts, Cordyceps (yarsagumba), medicinal herbs, organic products, garments, handicrafts and other Nepalese products. Having been listed on the list of the nation's fastest-growing privately held export companies, National Exports Pvt. Ltd. has become the most popular Export Company from Nepal for Clients almost all around the globe by providing innovative, competitively-priced Organic products, delivering the highest quality customer ser-

vice, and by always appreciating and listening to its customers. The contact information about the company is as below:

Email: natexports@gmail.com

Website: www.nepl.com.up

Company Name: National Exports

Registration Number: 54620

Business Tax ID (PAN): 302966831

4.7 Estimation of Profit Generation through the Shop

As the product is being launched in the Brno market for the first time, there is high risk of the business being unsuccessful as well. Additionally, the promotional cost of the product is high and initial capital has to be a larger sum of money as the product is one of the highly priced herb. In such scenario, to expect profit from the very beginning of the launching of the shop can be counted as being highly ambitious and professionally impractical. Therefore, taking into consideration the present market price of all the tools and equipment needed, the following estimation of the profit/loss has been calculated.

Table 5. Estimation of Profit Generation.

Expenses Head- ing	2018 (Amount in Kc)	2019	2020	2021	2022
Initial capital	900,000	1,000,000	1,000,000	2,000,000	2,000,000
Total sales	300,000	650,000	995,000	1,800,000	1,900,000
Cost of goods sold	210,000	455,000	696,500	1,260,000	1,330,000
Gross profit (30%)	90,000	195,000	298,500	540,000	570,000

Operating cost					
Rent of the shop	120,000	120,000	120,000	120,000	120,000
Advertising expenses	(236,000×4 months= 944,000 +(only 2 mall banners probably) 36,000*8= 288,000) therefore total is 1,232,000	(only 1 mall banner probably) 18,000*12 = 216,000	(only 1 mall banner probably) 18,000*12 = 216,000	(only 1 mall banner probably) 18,000*12 = 216,000	(only 1 mall banner probably) 18,000*12 = 216,000
Office supply expenses	10,000	5,000	3,000	-	-
Total operating cost	1,362,000	341,000	339,000	336,000	336,000
Administrative cost					
Tax	30,000	30,000	30,000	30,000	30,000
Net Profit (Gross profit – (operational cost-administrative cost))	-1,302,000	-176,000	-70,500	+174,000	+204,000

Source: own Research.

According to the above profit estimation table, the project will bear huge financial losses from the beginning until the 4th year of the startup of the shop. Because of the higher promotional expenses and higher initial capital necessity, it is impossible for the business to be in profit from the very beginning. But as it is visible, if everything goes as planned then the project will need lesser promotional cost each year which will reduce the expenses resulting lesser business and loss and after few years it will start to yield profit.

4.8 Expected Results and Limitations of the Project and Recommendations to the Project

After the implementation of the project, launching of the shop, initialization of the promotional media activities etc., the results are expected to be in favor of the proposed business plan. The detailed expected results are mentioned below, however, during the formulation of the project some of the limitations are encountered. Because of internal weaknesses, budget limitations as well as external uncontrollable and unavoidable factors, the project is not perfect. Therefore, for the betterment of the project some practical recommendations are mentioned in this part of the project.

4.8.1 Expected Results of the Project

After the completion of the project or throughout the whole process of the project, the following results are expected:

- 1) The results are aimed to increase awareness, sales and aid in strengthening customer acquisition, retention and growth.
- 2) At minimum 2000 customers are expected to be guided towards the shop.
- 3) In the meantime, completely different variety of customers (unidentified segment of the consumer) are expected to be attracted by the health benefit facts about the product.
- 4) The viewers/customers exposed to the advertisements via magazine, flyers and mall banners are expected at least to have the basic knowledge that the product is about their health benefit which is now made available in Brno market as well.

4.8.2 Limitations of the Project

Even though the project is planned in such a detailed manner that achievement of the project objectives seems to be very reachable, the budget allocation part is not 100% reliable because of the fact that the budgeting is done on the basis of present market price but the project will start from the beginning of 2018 A.D. Therefore, the fluctuation in market price of advertisement and other various costs cannot be avoided which might affect the implementation part of the project later on.

Another major limitation of the project is that the chosen or designed advert banner is not descriptive in itself because of which even when customer will notice the advert they will not be able to get the descriptive knowledge about the product. Since the product is completely new and extra-ordinary, customer will need more and complete knowledge about the product in order to know its importance but unfortunately a single piece of banner and a single piece of paper cannot cover the whole information about the product.

Additionally, even though being acquainted with the fact that there are various other effective promotional tools which can be very beneficial for the project for example Television Advertisement, Billboards or Mega board advertisements in several areas etc., due to the budget limitations, those effective promotional tools cannot be selected.

4.8.3 Further Implementation Recommendations

For the flawless implementation of the project, the following measures can be considered:

1. Designing an improvised and extra ordinary advertisement banner should help promoting the product in which customer can get full or adequate enough knowledge about the product at a single glance at the advert banner/flyer or magazine ad.
2. While implementing, minimization of the budget can be done at different stages of the project which should be highly considered as the budget is already so high for a startup business. For example; discarding or terminating the less effective advertising tool/s (magazine ad, flyers, mall banner) sooner than the estimated time (as mentioned in the activity table) might save a lot of money which can further be utilized in productive way.

3. If the budget would be enough, alternative ways of communicating with the customer can be given though to, in order to educate the customers about the product since the available tool of advertising do not provide full descriptive knowledge about the product. Analyzing the market situation, opening a stall in a crowded area where the curious customers can be provided with adequate knowledge of the product can be considered in future. This alternative cannot be included at the moment in this project because of budget limitations.

4.9 Measurement and Evaluation Plan

Starting from the beginning (February 2018) of the launching of the shop until the end of May (2018), a customer tracking survey will be conducted in order to evaluate the efficiency of the Project. The survey will be centered to find out which promotional tool is the most effective one compared to other applied ones. Therefore, to achieve the objective of this survey, the customers who will actually visit the shop, will be compulsorily asked one simple open ended question:

How do you know the whereabouts of this shop?



Figure 8. An interactive Touch Screen Kiosks. *Source: Internet*

For the customers who are willing to spend more time in the shop and contribute the shop with their precious feedbacks and opinions, an interactive touch screen kiosk would be placed in the shop where the customers can fill the survey page independently. In the kiosks, there would be the mention of the same question i.e. ***How do you know the whereabouts of this shop?*** Along with their feedbacks, opinions, ideas and suggestions. This tool for the survey purpose is especially for those customers who are introverts and don't want to be bothered by the shopkeeper.

Their responses would be updated in the computer system and by the end of May, 2018, it will be evaluated and the means of promotional tools among magazine advertisement, mall sky banner and flyers, the one scoring the highest points would be selected in order to continue with the promotional activities whereas other two promotional activities would be discarded in order to minimize the cost.

4.10 Project Conclusion

The expected results that will be achieved during the implementation of the project will help to formulate the following conclusion:

1. Brno residents once knowing more or less about the product and its health benefit can be possibly attracted towards it and can be excited about buying it and trying it at least for once in their lifetime. And obviously their continuation of using the medicine will be dependent on various other factors such as psychological factors as well as the effectiveness of the product.
2. On the basis of the characteristics of the identified target group, it can be concluded that the project itself and the media tools used are completely devoted on targeting them and their preferences of selection of media tools are taken into consideration.
3. The profitability of the business is not the foremost priority of the project at the beginning, the targeted objective is to let everybody in Brno know that the shop specializing in the product Yarsagumba is available and let them know the health benefit of the yarsagumba as well.

CONCLUSION

Summarizing the work performed within this diploma thesis preparation, the following summary could be formulated.

Brno possess a good potential commodity market characteristic for the given product Yarsagumaba, as the presence of physically ill people curable by the constant use of the product are in abundant amount in Brno and the center of the Brno which is the proposed area for launching the shop, acts as a busy trade and business hub for the peripheral areas as well.

In the course of data analysis, the fact came to the light that only a quarter of a half residents of Brno and peripheral areas are familiar with the concept of Yarsagumba to some extent. Being a newly known product in the particular area, the chance of the shop specializing in Yarsagumba product being successful is too risky. Furthermore, it can be concluded that more than half of the potential customer are terrified by the actual price of the product which is expensive in nature, further limits the success of the shop in future. However, the willingness to buy the product from the shop shown by Health and fitness enthusiasts irrespective of the age, provides additional enthusiasm and encouragement to launch the product.

In the course of thesis preparation, the sub-goal of the research paper which was to identify the potential target groups was achieved by means of complex mixture of qualitative and quantitative research method. Furthermore, it was also found out in the course of the research that the chance of those identified potential customer to buy the product from the shop is higher. On account of these facts, it can be concluded that the shop specializing in yarsagumba product in Brno carries a higher possibility of being successful in future for introducing the product for the first time in Brno. According to the findings of the research, there are sick customers in Brno who are willing to buy the product if made available.

The marketing strategy created for the promotion of the product among the identified potential customer highlighting the mall advertising, magazine advertising and flyers distribution further assures the success of the yarsagumba shops even though the initial cost of promoting the product is higher and in future the project might slow down the profit generation through the shop. However, attracting more and more customers towards the shop is the main goal of the project which it will be achieving for sure.

Therefore, the research questions stated in the methodological part were answered and the goal of the thesis was met. Upon the condition provided that the advertisement campaigns become a huge success in future and the correct method of communication channels are used to attract the targeted customer, then the yarsagumba shop can be a success in future.

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LIST OF ABBREVIATIONS

AMA	American Marketing Association
B2B	Business to Business
CIM	The Chartered Institute of Marketing
ETC	Et cetera (And so on)
IMC	Integrated Marketing Communication
NEPL	Nepal
SPSS	Statistical Package for the Social Sciences
STZ	Streptozotocin
TCM	Traditional Chinese Medicine

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APPENDIX 1 : The Original Questionnaire in English Language

About Yarsagumba

I am a student of masters degree in multimedia communication currently studying in tomas bata university of zlin. Please help me find the results of my research paper by kindly filling up the questionnaire below. Your help will be highly considered.

Yarsagumba is an organic medicine which helps to cure immunodeficiency, heart disease, asthma, hypoglycemia, impotence or sexual dysfunction, kidney disease and many more other diseases.

1. Do you know what is yarsagumba (*Ophiocordyceps sinensis*)?
Yes
No
2. Do you have following serious health problems? (if the answer to most of the health problems is yes, please proceed to question no. 3)
 - i. immunodeficiency
 - ii. heart disease
 - iii. asthma
 - iv. hypoglycemia
 - v. impotence or sexual dysfunction
 - vi. kidney disease
 - vii. None of the above.....
3. Are you willing to buy expensive medicines for the sake of your health?
Yes
No
Depends on how bad is my health condition is
4. Have you ever used organic or herbal medicine? If the answer is yes, proceed to question number 5 and 6.
Yes.....
No.....
Rarely

5. Do you prefer organic medicines over chemically processed medicines?

- i. Always
- ii. Most of the times
- iii. Sometimes
- iv. Rarely
- v. Never

6. Where do you buy the organic/ herbal medicine?

- i. Online shops
- ii. Shops in market
- iii. Other sources

7. If you are willing to buy yarsagumba, how would you prefer to buy it?

- i. Through online shops
- ii. Special organic shop in the city center Brno
- iii. Dont want to buy yarsagumba.....

8. If the answer is online shops, please mention the reason why you would not go to the shop in the city center (Brno)?

.....

9. Age

25-30

30-40

40-50

50-60

60 Plus.....

10. Address (only zip code or name of the city/village)

.....

APPENDIX 2: The Czech translation of the original questionnaire

ochotni koupit Housenici čínskou

1. Víte, co je Housenice čínská (*Ophiocordyceps sinensis*)? *

- Ano
- Ne

2. Máte některé z následujících zdravotních problémů? (V případě, že jste odpověděl/a alespoň jednou kladně, pokračujte na otázku č. 3. Pokud ne, pokračujte na otázku 4.) *

- Porucha imunity
- srdeční choroby
- astma
- hypoglykémie
- impotence a sexuální dysfunkce
- nemoc ledvin
- Žádný z výše uvedených zdravotních problémů

3. Jste ochotni kupovat drahé léky kvůli svému zdraví?

- Ano
- Ne
- Záleží na tom, jak špatné je můj zdravotní stav je

4. Už jste někdy použili organické nebo bylinné léčivo? (V případě, že jste odpověděl/a kladně, pokračujte na otázku č. 5, č. 6. Pokud ne, pokračujte na otázku 7.) *

- Ano
- Ne
- Zřídka kdy

5. Dáváte přednost organickým lékům před chemickými?

- Vždy
- Většinou
- Někdy
- Zřídka
- Nikdy

6. Kde si kupujete organickou / bylinnou medicínu?

- Internetové obchody
- Kamenné obchody
- Jiné zdroje

7. Pokud jste ochotni koupit Houšenice čínská, jaký způsob nákupu byste upřednostňovali?

- Prostřednictvím internetových obchodů
- Kamenný obchod v centru Brna s nabídkou přírodních léčiv

8. Je-li odpověď na předešlou otázku „internetové obchody“, uveďte důvod, proč by jste nenavštívili/a prodejnu v centru města (Brno)? *

9. Prosím, uveďte Váš věk *

- 25-30
- 30-40
- 40-50
- 50-60
- 60 a více

10. Adresa (pouze PSČ nebo název města / obce) *

APPENDIX 3: The list of people in Brno with Illnesses.

JIHOMORAVSKÝ KRAJ 540 respondents						
Znění odpovědi	25-30	30-40	40-50	50-60	60+	Součet
Onemocnění dýchacích cest, astma	18	22	14	20	12	86 (16%)
Onemocnění srdce a cév (např. vysoký krevní tlak, vysoký cholesterol, stav po infarktu myokardu.	3	5	17	24	45	94(17%)
Urologická onemocnění (např. selhání ledvin, zvětšená prostata, erektilní dysfunkce, samovolný únik moči)	2	4	1	6	7	20 (4%)
Jiné typy onemocnění	10	17	13	15	8	63(12%)
Netrpím žádnou chronickou nemocí/ zdravotním problémem	2	3	0	1	0	6 (1%)
bez odpovědi/netýká se	64	85	65	25	32	271 (50%)

Source: Anonymous survey company in Prague, CR.

APPENDIX 4: Shopping Preferences of Brno Residents

Q1. Jaký je Váš celkový postoj k nákupům na internetu?	Rozhodně pozitivní	%	39.344
	Spíše pozitivní	%	45.902
	Neutrální	%	14.754
	Spíše negativní	%	0
	Rozhodně negativní	%	0
Total	Count		61
	Mean		1.754

Source: Anonymous survey company in Prague, CR.

APPENDIX 5: Poster of the Project Yarsagumba



YARSAGUMBA

pro tvoje

ZDRAVÍ



YARSAGUMBA
NAM. SVOBODY 702/8, 60200 BRNO, ČESKÁ REPUBLIKA
+420775990729
WEBOVÉ STRÁNKY: WWW.YARSAGUMBA.COM
OTEVĚNO OD 7 HOD - 8 HODIN (PONDĚLÍ- PÁTEK)



Source: Own Research