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INTERNATIONAL MARKETING STRATEGY OF THE SELECTED COMPANY

MEZINÁRODNÍ MARKETINGOVÁ STRATEGIE VYBRANÉHO PODNIKU

MASTER'S THESIS

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Abstract

The focus of this diploma thesis is a conducting marketing plan for a selected company entering a foreign market. The author will provide the essential theoretical foundation of the thesis, examine the current market condition, providing a thorough explanation of the existing challenges, and ultimately suggest new marketing activities for a company expanding internationally.

Keywords

international marketing plan, marketing strategy, online marketing, Germany, tattoo

Abstrakt

Záměrem této diplomové práce je provedení marketingového plánu pro vybranou společnost vstupující na zahraniční trh. Autorka uvede základní teoretická východiska práce, prozkoumá současný stav trhu, důkladně vysvětlí existující problémy, a nakonec navrhne nové marketingové aktivity pro společnost expandující na mezinárodní trh.

Klíčová slova

mezinárodní marketingový plán, marketingová strategie, online marketing, Německo, tetování

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Affidavit				
I declare that the present master project is an original work that I have written myself. I declare that the citations of the sources used are complete, that I have not infringed upon any copyright (pursuant to Act. no 121/2000 Coll.).				
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INTRODUCTION

"One had to be painted in some way to be human. Those who remained in their natural state were no different from an animal." This is how Claude Lévi-Strauss, a well-known French cultural anthropologist, explains why individuals in various civilizations came to construct odd decorations on their own bodies.

Tattoos as a distinctive fashion fad are sometimes linked with savages or even criminals nowadays, not knowing it has a very rich history since the Eneolithic Age. This is supported by finding of the Ötzi mummy from circa 3300 BC whose tattoos were likely still utilized for healing.

The modern tradition of tattooing dates back to the early 20th century when tattoos were popularized by sailors who traveled the globe and returned with gifts in the shape of varied patterns on their bodies.

Now tattoos serve as narratives, conveying the essence of one's individuality, self-expression, and sense of belonging. HoneyBee studio, which was established by me in Brno, the Czech Republic, is supporting this feeling about tattoos for already one year locally. Its vision is to spread this message also globally as it aims to expand and enter also foreign markets serving the potential to grow.

As HoneyBee studio needs more time to establish its own foundation and procure steady clientele in Czechia, the whole process of expansion is estimated to happen in the year 2025/2026. At now, HoneyBee studio must modify its marketing strategies to enhance its presence in the Czech market and prepare for a seamless entry into international markets.

The objective of this diploma thesis is to assist HoneyBee studio in its operations, since there is now just one individual, myself, responsible for all the essential actions involved. Consequently, the disregard of marketing activity leads to a decrease in sales and profit.

Aim of the thesis, objectives, and methodology

The aim of this diploma thesis is a conducting marketing plan for a selected company entering a foreign market. The firm works in the tattooing sector with the objective of reducing animal suffering and environmental pollution, by employing only biodegradable consumable materials that are not tested on animals. The primary goal will be accomplished by attaining the subordinate objectives:

- Literary research in the field of marketing
- Evaluation of the external environment by using **SLEPTE analysis**
- Identification of the competitive environment by using **Porter's five forces**
- Conducting marketing study to determine the perspectives of prospective clients
- final assessment of the analyzes by using **SWOT analysis**
- interpretation of appropriate **proposals** for international marketing activities

Specifically, this diploma thesis is composed of three primary sections: the theoretical section, the analytical section, and the proposal section.

To begin, I will provide a definition of fundamental yet essential vocabulary that is used in the theoretical section. This part is based on professional literature written by both domestic and foreign authors serving as the foundation for the analytical and proposal sections.

The second section starts with the study of the chosen company by employing the marketing mix 7P, which also includes a communication mix, to comprehend the product that needs to be managed. Additionally, the current market situation will be assessed by conducting a SLEPTE analysis, along with the identification of the competitive environment by examinating a Porter's five forces for the market. Last but not least, SWOT analysis will summarize and assess the whole second section.

In the final section of this diploma thesis, I interpret appropriate recommendations that can be utilized for the marketing strategy of the company's development into foreign markets, based on the findings of earlier analyses. Additionally, all recommendations will be transformed into a conclusive financial overview and timeline.

1 Theoretical foundations

1.1 Tattoo art

Tattooing is a body modification process in which the tattoo artist using tattoo needle inserts special pigment or ink into person's second skin layer. This practice leaves there a mark in the color of the pigment or ink used.

Some people think that tattooed designs might provide supernatural protection against disease or bad luck, or they can be used to represent the wearer's status or membership within a group.

Tattoos may be characterized as permanent or temporary based on the procedures and instruments used during application. Tattoos are often classified into three types. For starters, there are ornamental tattoos, which are worn as adornments on the human body but transmit no special significance. Second, symbolic tattoos have a special meaning for the person wearing them. Finally, pictorial tattoos are designed to represent the person and are often used to identify them.

Various parts of human ideas and cultural traditions are reflected in tattoos, each serving a particular purpose, as stated by Rychlík (2014). Firstly, there is a religious ceremony in which people think that certain tattoos depicting symbols may shield them from divine wrath and perhaps provide them supernatural powers. Additionally, there exists a ceremonial purpose linked to events that result in the attainment of a higher social position, such as the passage into maturity, which serves as a representation of bravery.

In the present society, people prioritize the aesthetic aspect by embellishing their bodies in accordance with current trends to increase their beauty. Furthermore, tattoos have a long-standing history of being used for therapeutic and preventative reasons, as shown by ancient traditions such as those seen on the preserved body of Ötzi. Nevertheless, its role has diminished as a result of worries about cleanliness.

The roles of communication and identification, formerly associated with negativity as seen in concentration camps, now include the demonstration of charm for women and the exhibition of power for males. Individualization is a modern phenomenon where tattoos

are used as fashion accessories that are selected based on personal beliefs, experiences, memories, and hobbies, serving as a representation of one's unique identity.

Social functions include people demonstrating their commitment to a certain group, whether it football enthusiasts or adherents of veganism. Lastly, the status function, which is closely associated with the social function, establishes the position or standing of the individual. It has been historically used in primitive and secretive civilizations and continues to have significance in specific cultural communities in the present day.

1.1.1 Permanent make-up

Tattoo artists are sometimes substituted by permanent make-up artists.

Permanent make-up is a technique that involves the temporary application of pigments to the skin, with a duration of 2-5 years. PMU involves the use of specialized tattoo inks applied to the top layer of the skin, known as the epidermis, using needles or blades. The primary distinction between PMU and conventional tattooing is in the depth of ink application. And therefore, tattoo artists and PMU artists undergo significantly different training courses. The ink in the epidermis gradually diminishes to the point of disappearance over time as part of the natural process of skin renewal. After a period of 5 years, the customer has the option to either repeat the same treatment or choose not to, without facing any negative effects. (Dermosalon, 2022)

1.1.2 Vegan tattooing

"Veganism is a lifestyle that excludes all animal products and attempts to limit animal cruelty and exploitation as much as possible." (Petre, 2022)

Vegan tattoos are tattoos that are made using environmentally friendly materials and procedures. While several high-quality tattoo inks are already suitable for vegans, some inks still include animal-derived components such as glycerin or gelatin. Although these materials are mostly used as a stabilizer, it is really a fat derived from animals (VeganSociety, 2022). In addition, bone char is included in some black inks as a pigment. Vegan tattoo ink is completely devoid of animal-derived components such as fat, bones, or crushed beetles, which are often used in the ordinary tattoo inks. However, animal derivates are not found in the tattoo ink only. Tattoo parlors often use stencil sheets

produced from lanolin, a substance derived from sheep. Furthermore, some after care items are non-vegan because they have been tested on animals or due to the presence of glycerin in razor strips.

Vegan tattoo businesses use identical materials and processes, with the crucial exception that none of them include any ingredients that contribute to animal cruelty. All components used in the tattooing process, including the ink, equipment, and aftercare items, are derived from plants.

1.1.3 Eco-friendly tattoo material

ECOTAT specializes in offering eco-friendly substitutes for conventional disposable plastic items frequently employed in the tattooing procedure. Their range of products encompasses a diverse selection of bioplastics that are both compostable and biodegradable, derived from sustainably sourced, plant-based resources. The company provides a range of products including barrier grip sleeves, machine covers, clip cord sleeves, surface protection sheets, and other related items. ECOTAT's products primarily utilize Cornstarch PLA (Polylactic Acid), a sustainable feedstock renowned for its environmentally favorable characteristics. PLA manufacture exhibits a 65% reduction in energy consumption and a 68% decrease in greenhouse gas emissions when compared to conventional plastics. Moreover, when ECOTAT products are disposed of via incineration, they release considerably fewer greenhouse gas emissions and do not generate harmful odors, unlike their petroleum-based equivalents (KillerInk, 2024).

1.1.4 Tattoo artist hosting

Tattoo studios all over the world, usually larger in a size, offer guest spots for tattoo artists interested in expanding. Such collaboration helps both parties grow and to become more visible on national and international market.

As BlackHat (2024) refers, a guest artist refers to a proficient tattoo artist who does artwork in locations other than their usual tattoo shop. This individual has been extended an invitation to collaborate with another studio for a certain duration. Studios use this approach to foster diversity in their workforce, while also enabling them to engage with a hitherto untapped client base. A contract between an artist and a store might last from a

few days to a couple of months, depending on the terms of the agreement between the two parties. Being a guest tattoo artist is something that is not permanent.

Guest artists are often invited to work at a host shop for several reasons, such as expanding the range of styles and techniques available to clients, introducing new talent and fresh perspectives, and offering guest artists opportunities to enhance their portfolios and reputation.

1.2 SMART objective

SMART goals are objectives that are specified, measurable, achievable, realistic, and timely. They serve as a guide for strategic planning and guarantee that execution is successful. They provide clarity and guidance by precisely delineating the objectives that must be accomplished and the corresponding deadlines. Precision is crucial, necessitating unambiguous terminology to express the intended result. Measurability is the process of quantifying goals in order to monitor progress and evaluate achievement. Attainability guarantees that objectives can be achieved and are practical considering the resources at hand. Realism examines the feasibility of attaining objectives under the limitations and circumstances that already exist. Timeliness is the process of assigning specific start and end dates to create deadlines, which in turn make goals concrete and achievable. In addition, SMART objectives must be credible and attainable in order to encourage people accountable for achieving them and avoid dissatisfaction. By following the SMART criteria, goals are transformed into actionable targets that guide activities, track progress, and enable effective communication of strategic objectives (Kotler, et al., 2018).

1.3 Marketing

Marketing is the intricate procedure of generating clients for business owner's goods and services. A marketing strategy is a written document that facilitates the management of the process, encompassing the necessary action steps to ensure the plan's effectiveness (Bangs, 2002).

Marketing is the process of attracting and interacting with consumers in order to effectively manage and maintain lucrative relationships with them. The primary objective of marketing is to entice new consumers by offering exceptional value, while simultaneously retaining and expanding the existing client base via the provision of value and satisfaction. (Kotler, et al., 2018)

Marketing is sometimes seen only as advertising and selling products or services, but this is only the apex of the pyramid. Marketing is a comprehensive process including social and management activities that enable people and organizations to acquire desired goods and services by producing and exchanging value with others. Within a more specific commercial framework, marketing entails the creation of mutually beneficial and valuable trade connections with clients. Marketing is the strategic process by which organizations actively involve consumers, establish strong customer connections, and provide customer value with the aim of obtaining value from customers in return. (Kotler, et al., 2018)

Marketing is centered on the identification and comprehension of human needs, which refer to conditions of perceived lack, including fundamental physical, social, and individual necessities. Wants, influenced by both culture and personality, manifest as the particular expressions of these requirements. When supported by the ability to buy, wants are converted into demands, prompting individuals to search for goods and services that provide the greatest value and contentment. (Kotler, et al., 2018)

Companies allocate substantial resources to comprehending client needs, wants, and demands by means of consumer research, data analysis, and meticulous monitoring of customer behavior, both in physical and digital realms. An in-depth comprehension of client requirements is essential for customizing products and services to surpass consumer expectations. This requires maintaining tight connections with customers at all levels of the firm, including senior management. (Kotler, et al., 2018)

1.3.1 Service marketing

Service marketing entails the comprehension and administration of the dynamic between consumers and frontline service personnel with the objective of providing exceptional service encounters. This strategy acknowledges the interdependence between employee satisfaction and operational excellence, and the subsequent impact on customer satisfaction and business profitability. Proficient service organizations place equal emphasis on employee and customer satisfaction, knowing that content and motivated

personnel contribute to increased customer value and loyalty, which in turn fosters robust business operations. Service marketing comprises internal and interactive marketing strategies that prioritize customer engagement and employee motivation throughout service interactions. Furthermore, service marketing endeavors to tackle the obstacles associated with distinguishing services, overseeing quality, and enhancing productivity as a result of heightened competition and shifting consumer demands (Kotler, et al., 2018).

1.3.2 International marketing

International marketing is the global process of conceptualizing, pricing, promoting, and distributing ideas, commodities, and services to generate exchanges that meet individual and corporate goals across borders. It includes marketing operations carried out in several countries as well as cross-national coordination. Beyond consumer transactions, international marketing includes business-to-business, government activities, and non-profit marketing. It acknowledges the diversity of markets and the need to alter the marketing mix depending on cultural, legal, political, and economic considerations in various nations. International marketing seeks to optimize the marketing mix across borders in order to successfully reach target markets and accomplish organizational objectives in a global setting. (Onskvisit, et al., 2011).

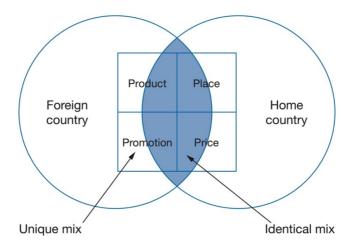


Figure 1: Environmental effect on international marketing mix (Source: Onskvisit, et al., 2011)

1.4 Marketing strategy and its development

Marketing strategy includes crucial elements adapted to a business's aims and conditions. First, it requires analyzing the firm, its preparedness for marketing, its products' fit for promotion, and its technology capabilities. A marketing plan also involves evaluating the competitors, learning from their techniques, and developing market differentiation. Engaging with the target audience demands a detailed awareness of their interests and habits. Setting clear, quantifiable targets for sales or brand recognition is also important. Finally, analytics, campaign efficacy, and optimization are part of a marketing plan. It offers a disciplined strategy for aligning marketing efforts with corporate goals, taking into account competition, consumer behavior, and performance measures to traverse the changing marketing environment (Ryan, 2014).

1.4.1 Digital marketing strategy

Digital marketing uses digital platforms and technology to promote goods, engage consumers, and accomplish company goals. Understanding the changing digital economy, using digital technologies to reach a wider audience and specialty sectors, and communicating with customers online are all part of it. Digital marketing attempts to develop long-term consumer connections, expand businesses, and compete in a changing marketing field (Ryan, 2014).

1.5 Marketing mix 7P

1.5.1 Product

Analytically speaking, the product is divided into the following three tiers, in accordance with Kotler, 2018:

- 1. A *fundamental description* of what consumers purchase. This is the fundamental functionality that the product provides and executes.
- 2. The *tangible*, *authentic*, and occasionally *gemuine* product possesses the subsequent five distinguishing attributes:
 - Quality Product quality is one of the main tools for building market position.

 It is a complex category. In general, it represents the ability to perform its

functions. It includes aspects such as durability, availability, reliability, accuracy, mode of operation and maintenance, material, etc. In a marketing perspective, product quality is also the quality as perceived and seen by the customer.

- Variants Product variants include not just the basic default form, but also higher-level versions that come with additional, higher-standard features. It is essential to ascertain the customer's desired features and their willingness to pay for them, and then compare this knowledge with the cost of fulfilling these extra demands.
- Design Design may transform a product, increasing its utility and value. The
 product also communicates through its design. For example, the buyer is able
 to handle the product and work with it appropriately even without instructions.
 The design itself directs us to manipulate the product in a natural and precise
 manner, as if it were impossible to do otherwise.
- **Brand** A brand is composed of a name, symbol, and color, either alone or in combination. Specifically, the emblem may be missing, since the utilization of a unique typeface (logotype) serves as a graphic element on its own. The primary function of a brand is to establish the identity of a product or service and differentiate it from its rivals.
- Packaging The package has the ability to elicit the customer's demands and
 aspirations, to serve as a reminder of the product's marketing, and to capture
 his attention. Additionally, it provides information on the complimentary item
 that the buyer will receive in addition to the sales incentive.
- 3. The improved product encompasses *supplementary services* or *customer advantages*, such as extended warranty durations, adjustments during and after the warranty period, guidance from industry professionals, leasing options, hire purchase, and more.

1.5.2 Place

The selection of distribution channels for delivering the product to the market and customers is a critical choice that significantly impacts the utilization of other marketing strategies and communication with customers (Kotler, et al., 2018).

1.5.3 Price

The price corresponds to the quantity of currency units needed to purchase the product. It represents the present, temporary worth of the goods in the marketplace. It is evident that it is not unchangeable. Unlike distribution and other parts of the marketing mix, pricing is very adaptable. Therefore, it may be regarded as a significant and widely used instrument for consumer communication (Kotler, et al., 2018).

Typically, one of the three fundamental pricing systems, which Kotler, 2018 characterizes as '3Cs', is employed:

- 1. *The cost function approach* where one example is mark-up method, which involves adding a certain percentage to the overall cost of the goods.
- 2. *The competitor' pricing approach* relies on the prevailing market price of a comparable competitive product. Smaller, start-up enterprises in particular tend to closely track the pricing set by big firms.
- 3. *The customer-oriented approach* involves determining the price of a product based on the value that the customer personally assigns to it.

1.5.4 Promotion

Kotler, 2018 describes the marketing concept of promotion, sometimes referred to as the communication mix, which traditionally relies on the following four basic tools:

- 1. *advertising* is a remunerated method of presenting an offer in the media in a comprehensive and impersonal manner;
- 2. *sales promotions* are temporary incentives designed to stimulate product purchases;
- 3. *public relations* is the establishment and maintenance of positive public relations, specifically through active media publicity;
- 4. *personal selling* is achieved through direct, one-on-one communication with prospective customers.

1.5.4.1 Communication mix

Advertising

Advertising encompasses several formats and purposes, serving to endorse either a particular product or a lasting perception that targeted portions of the population are expected to develop toward the organization. Mass media has the ability to reach a broad audience, but its lack of personal connection makes it less persuasive. It is solely a one-way form of communication (Foret, 2011).

The process of creating an ad can be broken down into the following seven steps in accordance with Foret, 2011:

- 1. Goals for the entire advertising campaign
- 2. Target audience
- 3. Budget
- 4. Message
- 5. Media
- 6. Timing
- 7. Evaluation

Sales promotion

Sales promotion employs temporary yet impactful incentives and attention with the objective of stimulating and accelerating sales. The focus of this approach encompasses various aspects, including the customer (through price reductions, product samples, and competitions), the sales organization (through collaborative promotional campaigns, dealer competitions, and participation in trade fairs), and the sales staff themselves (typically through the implementation of bonus rewards for outstanding sales performance or sales meetings at appealing resorts) (Foret, 2011).

The most used means of sales promotion with customers, as Foret, 2011 describes, include:

- Discounts, sales, promotions to attract at lower and better price.
- *Product samples* to try (sampling)
- Coupons that allow consumers to receive a savings or refund on a purchase

- *Premiums* are products offered for free or at a reduced price as an incentive to buy certain products.
- Loyalty rewards are given in cash or other forms for regular purchases of products
- *Contests* give customers the opportunity to win cash, merchandise, or a trip through luck or with their own efforts (by collecting)
- *Trade fairs, presentations and exhibitions* that allow to showcase or sell especially new products to customers
- *Convenient packaging* where the customer is informed on the packaging that they are getting part of the product as a free gift

Personal selling

The instant personal impact of this approach enables it to exert a greater influence on the customer, effectively persuading them of the benefits associated with the new offer compared to traditional advertising and other marketing communication methods. Regrettably, the scope, or the range, of personal selling is significantly narrower compared to advertising (Foret, 2011).

The reputation and image of a firm can be significantly and enduringly harmed by the faults and blunders committed by an individual vendor. The practice of personal selling necessitates a thoughtful and attentive approach. The salesman ought to refrain from exerting undue pressure, instead opting to give compelling information and showcase an amazing product while demonstrating genuine interest in the customer's perspective (Foret, 2011).

Public relations

Public relations (PR) is a deliberate and methodical endeavor that seeks to establish and fortify confidence, comprehension, and positive associations between a company and critical, significant public segments. However, public relations tools typically do not provide consumers with any offers or sales (Foret, 2011).

Its role is to disseminate information and coordinate activities that we anticipate will effectively engage, captivate, and capture public appreciation.

Credibility is the primary advantage of public relations in terms of communication. This facilitates their ability to exert influence, specifically over a subset of potential customers

who intentionally resist the impact of advertising. Thus, their efficacy surpasses that of traditional advertising methods (Foret, 2011).

Direct and Digital marketing

Digital and direct marketing. By actively interacting with specific individual customers, one can elicit a prompt response and establish enduring customer connections (Foret, 2011).

A number of distinct attributes are shared by numerous forms of direct and digital marketing, including but not limited to direct mail, catalogs, telephone marketing, online, mobile, and social media (Foret, 2011).

Interactive direct marketing consists of the following: It facilitates communication between the marketing team and the customer, enabling the modification of messages in response to the customer's feedback (Foret, 2011).

1.5.5 People

According to Muala and Qurneh (2012), this element may be applicable to service workers. Direct interactions between customers and employees at a variety of locations have been shown to influence consumers' perceptions of service quality. Employees are essential to customer service and the company's reputation. They contribute to a customer-centric approach by distinguishing products, services, channels, and brand image. A customer-focused approach is impossible to implement without employee participation. Employee-customer connections are important because they influence consumer perceptions. In essence, all workers have an impact on an organization's performance and operations, and improved communication, training, skill development, and mentorship may increase product and company value.

1.5.6 Processes

Muala and Qurneh (2012) emphasized that the process includes executing actions and tasks to boost product value, particularly cost-effectiveness and customer benefits, which are more significant for services than commodities. Clients are aware of the procedure's efficacy and the understanding of service providers, which have a significant influence on their purchasing experience. Thus, effective process management ensures high

availability and consistency. Service delivery requires simultaneous consumption and production, making it challenging to balance demand and supply. The design and implementation of product elements are critical to product development and delivery.

1.5.7 Physical evidence

The significance of the service delivery environment, encompassing the physical setting and any tangible objects that facilitate communication and performance, was underscored by Muala and Qurneh (2012). Physical evidence is crucial because clients use this environment to evaluate the quality of service. Aspects of the service production environment that are visible to customers may influence their perceptions of service quality. Customer satisfaction is significantly influenced by the "servicescape," which comprises ambiance, background music, seating comfort, facility layout, and customer service personnel. Additionally, the design and décor of the environment impact customer service expectations. As services are intangible, organizations are required to create an environment that effectively communicates the service experience to customers.

1.6 Marketing mix 4C

Marketing that is centered on the customer is emphasized in the 4C approach. Consumer requirements take precedence over the provider perspective in the 4C model. It acknowledges the preference of consumers for solutions and value rather than mere products. The price of a product reflects the client's value and encompasses all essential expenses. Consumers evaluate the aesthetics, functionality, reputation, and distinctiveness of a product in relation to its price. In order to enhance the value proposition for consumers, organizations are compelled to either reduce expenses or augment product advantages. Customers place equivalent value on product accessibility and convenience. Customers prefer firms that employ a reciprocal exchange of information regarding their products, as opposed to merely engaging in sales. Effective marketing management therefore commences by considering the customer's perspective (4C) prior to that of the organization (4P) (Manafzadeh, et al., 2016).

1.6.1 Customer value

A consumer is exposed to an extensive variety of products that fulfill specific needs on a daily basis. The consumer selects the item from the available options that provides the highest value to them. The customer value of a product is determined by subtracting the costs of acquisition from the value obtained from possessing and utilizing the product. Customers are satisfied when their expectations are fulfilled; conversely, dissatisfied customers have unfulfilled expectations (Kotler, et al., 2007) (Zlámal, 2009).

1.6.2 Convenience to buy

Not only convenience and comfort, but also opportunity or advantage. These terms share a common denominator in that this instrument ought to furnish the client with optimal conditions for product utilization, while also eliminating any obstacles and challenges associated with its acquisition. The "C" (convenience) ascertains the conditions, culture, and environment of the location where the customer obtains the product, whereas the "P" (place) specifies how and where the customer can obtain the product (Kotler, et al., 2007) (Zlámal, 2009).

1.6.3 Communication

Effective communication is a critical component due to the detrimental effects that flawed implementation can have on exceptional business outcomes. In contrast to the 4P mix, which entailed communication consisting solely of product descriptions, the 4C mix entails business interaction with the customer in order to ascertain their requirements and provide explicit details on how to fulfill them.

Customers' gratification is profoundly impacted by the manner in which they are attended to and the information that is furnished to them, both of which are perceived and highly valued by them. Research has shown that customers who are contented are more likely to share their gratification with three others; conversely, customers who are dissatisfied are at least ten times more likely to express their discontentment (Kotler, et al., 2007) (Zlámal, 2009).

1.6.4 Cost to satisfy

The fourth and final "C" in the combination denotes expenses borne by the consumer in the process of procuring the product, as opposed to costs borne by the business. Transportation and operating expenses are also included in these costs. The customer determines the financial burdens and capacities necessary to obtain the product (Kotler, et al., 2007) (Zlámal, 2009).

1.7 Marketing research

As to the American Marketing Association, marketing research encompasses the methodical collection, documentation, and examination of data pertaining to issues associated with the marketing of products and services (Onskvisit, et al., 2011).

1.7.1 Secondary research

Secondary research pertains to pre-existing information that has been gathered for alternative objectives and is easily obtainable (Onskvisit, et al., 2011).

1.7.1.1 SLEPTE analysis

In accordance with Scarborough, et al., 2016, this tool addresses the external elements that impact a company. These factors are outcomes of the five government, political, social, technical, and economic forces. Initially, PEST analysis focused on examining the Political, Economic, Social, and Technological factors. However, over time, it has expanded to include Legal and Environmental factors, resulting in the acronym SLEPTE or PESTLE. By doing an SLEPTE study, an entrepreneur may answer critical questions regarding the underlying reasons for proposing a certain kind of company.

The social environment encompasses factors such as demographic composition, population aging, changes in lifestyle, and the shift towards environmentally friendly practices. These changes might have detrimental impacts on some firms. Legal considerations include the presence of all legal restrictions and laws. Economic considerations include both the potential for economic expansion and the risks associated with it, such as changes in interest rates, inflation rates, and other macroeconomic indicators. Political variables primarily include political stability. Technological

considerations include the potential advantages or disadvantages arising from advancements in technology, which manifest as new opportunities or threats in terms of improved production capabilities. Environmental considerations include the risks of armed conflicts, acts of terrorism, and outbreaks of epidemics. However, there might also be prospects for economic development, particularly in the larger nations globally (Scarborough, et al., 2016).

1.7.1.2 Porter's five forces

In accordance with Kuratko et al., 2016, this tool helps us examine the external environment before entering a market with a product or service. Two key issues are divided into Porter's five forces. 1. Competition, 2. Supplier and buyer bargaining power, 4. New entrants, and 5. Substitute goods or services, as we know them.

- The first: "What is the industry structure and how will it evolve?"
- Second, "What is the company's relative industry position?"

Porter's five forces model helps entrepreneurs determine competitive advantage and create a convenient strategy.

When it comes to many different sectors, the most significant driver is often the competition that exists between rivals. In the event that a firm presents innovations or methods that modify the market, rivals are required to either adapt or risk the possibility of experiencing a fall in their level of success. To a similar extent, the negotiating power of suppliers is an important factor to consider. When suppliers have tremendous control over essential raw materials or components, the sector, as a whole, becomes less desirable. On the other hand, if a corporation has a large number of suppliers, its dependence on those suppliers will reduce, which will result in a lesser vendor power. The power of negotiating that consumers possess is comparable to that of suppliers. The significance of buyer power is shown by the fact that the chance of a firm losing consumers increases in proportion to the number of customers it has. Additionally, the danger of new entrants is expected to materialize in sectors that have low barriers to entry, such as those that need little legal or financial criteria. Last but not least, the possibility of competing goods or services continues to be an important factor to take into account. In order to find firms that are less vulnerable to being replaced by conventional items,

forward-thinking tactics are required. This is because technological advancements are always introducing new alternatives to traditional products (Kuratko, et al., 2016).

1.7.2 Primary research

Primary data is defined as material that is collected directly from original sources and is specifically designed to meet specific and up-to-date research questions. The main benefit of this resides in its precision, pertinence, and promptness. Nevertheless, the appeal of primary data is considerably mitigated by the substantial expenses and time commitment associated with its acquisition (Onskvisit, et al., 2011).

1.7.2.1 Interview

Interviews are economical and expeditious methods of gathering data for research purposes. These adaptable instruments facilitate the examination of marketing challenges and provide insights into internal factors such as motivations and attitudes, in addition to past, present, and future elements. Interviews via personal contact, telephone, and mail are all viable options. Cultural and practical factors influence the prevalence of each method in each nation. In some nations, personal interviews are prevalent and interviewers are expected to be fluent in the local languages and adhere to cultural norms. Telephone interviews may present challenges as a result of variations in conversational patterns and regional service standards. Notwithstanding their economical nature, mail surveys may face challenges such as inadequate distribution lists, low postal service, and illiteracy, especially in rural areas. These factors must be considered by foreign business researchers, who must also consult available resources to identify best practices (Onskvisit, et al., 2011).

1.8 SWOT analysis

SWOT analysis is a strategic planning technique that assesses the internal and external elements that impact a firm. It examines the strengths, weaknesses, opportunities, and threats of the business. The analysis starts by assessing the internal strengths and weaknesses, which may differ based on the specific characteristics of the firm. This assessment is crucial for comprehending the business's performance and pinpointing opportunities for improvement or exploitation. The research then focuses on external

variables, such technical breakthroughs, regulatory changes, and economic circumstances, which are outside the business's control yet may have a substantial influence on its performance. By discerning potential advantages and disadvantages in the external milieu, enterprises may strategically prepare and adjust their tactics to minimize hazards and capitalize on prospects for expansion. SWOT analysis offers a systematic framework for firms to evaluate their present circumstances and devise successful strategies to accomplish their goals (Foret, 2011).

2 CURRENT SITUATION ANALYSIS

2.1 Company introduction

HoneyBee Studio is a renowned tattoo shop located in the center of Brno. It was established in 2023 by me, Natalie Knechtová, who operates as a natural person under the Trade Licensing Act. HoneyBee is not a recognized corporation but a place of business of a natural person.

The name was selected due to my admiration for honeybees. These creatures bring to mind the imagery of diligence and hard effort.

For now, I am the only tattoo artist in the workshop, focusing on intricate detailing used in micro realistic motives and precise designs. Mostly, I use black inks, but colorful tattoos are gaining popularity nowadays. This variety guarantees that customers may discover an ideal fit for their unique ambitions.

HoneyBee only provides approved establishment for me as a tattoo artist operating as single proprietor. This tattoo studio offers a cozy environment for other tattoo artists interested in joining HoneyBee team. The goal of the studio is to offer blend of creative skills and environmental awareness, rather than just a place for tattoos.

Regarding the environment, the studio follows a unique approach by prioritizing vegan and eco-friendly values and avoiding the use of plastics in tattooing supplies. The studio is dedicated to sustainability in all aspects, guaranteeing that customers' body art experiences reflect ethical and ecologically conscientious principles.

HoneyBee studio stands out because to its dedication to honest and transparent pricing, a unique trait that differentiates it from other tattoo studios. The studio prides itself on properly preparing customers for the tattooing procedure by openly sharing all information on social media.

Its dedication goes beyond tattooing, focusing on the client's needs. The studio maintains communication with customers post-tattoo completion, assisting with any issues or challenges that may arise throughout the healing phase. The aim is to ensure that customers' experiences revolve around exquisite art as well as a smooth and favorable experience.

oney bee

Picture 1: Logo of HoneyBee studio

(Source: Project owner's archive, 2022)

2.1.1 Company's SMART objective

HoneyBee studio is a little tattoo parlor that employs a single tattoo artist. The goal is to achieve worldwide expansion in order to broaden the consumer base and potentially increase the number of artists on the team. Although there is a sufficient consumer base in the Czech Republic, expanding into a foreign market has the potential to enhance the brand and allow the individual artist to enhance her talents and get more experience. In addition, the studio features a dedicated area for accommodating one extra artist at a time, specifically to facilitate the hosting of international tattooists in Brno. These processes result in an augmentation of sales and profit.

The projected timeline for achieving this objective is one year from the commencement. I understand that the studio need more time to prove itself in the Czech market, so the projected launch of this project is anticipated to take place in Spring 2025.

2.2 Current marketing mix 7P

2.2.1 Product

HoneyBee Studio in Brno specializes in tattoo services such as fine lining, delicate motifs, and ornaments. The studio emphasizes the use of vegan and eco-friendly products while actively refraining from using plastics.

The studio consists of only one tattoo artist who focuses mainly on fine lining and gentle motives, using black and color inks. HoneyBee studio takes pride in quality tattoos but also on the service pre-tattooing and post-tattooing. I as a tattoo artist create tattoo designs

for the clients in advance and discuss any changes individually. In addition, the studio provides each client with a medical healing foil protecting the tattoo from bacteria, a detailed aftercare instructions and a vegan and 100% natural aftercare kit consisting of healing butter and antibacterial soap, all free of charge. The artist keeps in touch with their clients also after the tattoo is done in case any difficulty during the healing process occurs.



Picture 2: Natalie's portfolio (Source: Project owner's archive, 2023/2024)

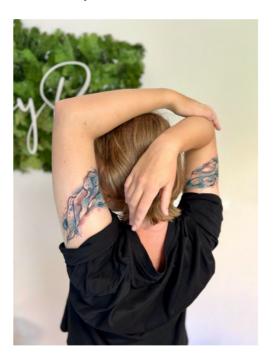
Besides a classic tattooing service, I offer extended services such as cover-ups of old or unwanted tattoos, cover-ups of scars from operation or after an accident and lastly tattoo vouchers worth any price.





Picture 3: Old tattoo cover-up (Source: Project owner's archive, 2023)

Only scars older than 3 years can be tattooed in HoneyBee studio. The scar must be insensitive and soft for the ink to stay in the skin.



Picture 4: Scars cover-up tattoo (Source: Project owner's archive, 2023)

Extensive tattoo projects like as sleeves, complete backs, or full legs need a personal consultation with the artist. Likewise, when a customer requests a cover-up for

a huge and solid tattoo, the artist must first examine the existing tattoo before creating a new design.

Tattoo vouchers are printed and prepared for the clients in the studio. If clients prefer online version of the voucher, the studio sends them via e-mail.



Picture 5: Christmas tattoo voucher (Source: Project owner's archive, 2023)

2.2.2 Place

HoneyBee studio is located in a comfortable and accessible area in Brno, Czech Republic. The studio is located inside a multipurpose sports complex that caters to a wide range of customers, including athletes, businessmen and parents, since it also hosts a children's club.

It also interacts with customers and the community using social media sites like Facebook and Instagram.



Picture 6: HoneyBee studio interior (Source: own processing, 2024)

2.2.3 Price

The studio has a transparent but indicative pricing list. I implement a competitive price model that mirrors the quality of my tattoo services and extra features.

Pricing may vary depending on the particular tattoo styles, complexity of the design, material consumption and placement of the tattoo. But there is a clear and competitive price template determined by the size and intricacy of the tattoo.

- Mini tattoos, which take 1-1.5 hours to complete, cost between 1500-2000 CZK.
- Small tattoos, which typically take 1.5 to 3.5 hours to complete, cost between 2000 and 4500 CZK.
- **Medium tattoos,** taking 3.5-5.5 hours to complete, cost between 4500-7500 CZK.
- Large tattoos that take 5.5 hours or more are priced at more than 7500 CZK.

HoneyBee studio accepts only cash payments.

2.2.4 Promotion

HoneyBee studio actively presents the artists' work on sites like Facebook and Instagram and underlines the studio's dedication to vegan and eco-friendly methods. Ways and methods HoneyBee studio uses is described using the communication mix.

2.2.4.1 Communication mix

Personal selling

I as a tattoo artist offer personal consultations free of charge for clients who are not certain about their tattoo choice. Usually, the clients want to meet the artist personally and need to get acquainted with the environment where the tattoos are done.

100% of clients who enter the studio arrange a tattoo appointment with me. Most are enchanted by the bright and clean environment of the tattoo shop in which they feel comfortable and relaxed

Advertising

HoneyBee studio employs a range of possibilities for its advertising campaigns. Initially, as the studio is a part of a large complex, it promotes itself by means of a television located directly at the reception area of the center. This approach caters to all individuals that visit the facility.

Additionally, HoneyBee studio promotes brand awareness by providing gifts to every customer after a tattoo visit. The presents consist of healing butter, antibacterial soap, handcrafted candles, and stickers with the studio's name, all enclosed in a bag adorned with the studio's emblem. This approach also fosters a personal connection between the studio and the consumer since it is well recognized that customers like receiving an extra product or service without incurring any more cost.

Finally, the studio collaborates with a beauty salon in Brno to exchange their business cards and prominently display them at both locations.

Sales promotion

I take the advantage of holidays and other special days to hold contests that customers can participate in. The rewards consist of discounted rates for tattoos, as well as vouchers of tattoos in various values.

The competitions are organized to enhance the accessibility of tattooing for new customers and to enhance the experience of returning customers on their next visit.

The contests take place only online on Instagram or Facebook.



Picture 7: Photo of Instagram contest (Source: HoneyBee studio's Instagram, 2024)

Event marketing

Humanic launched a new brand in Prague during the spring of 2024 and established a partnership with HoneyBee studio. The launch was designed as an occasion during which consumers were provided with refreshments such as champagne and breadsticks while making shoe purchases. Furthermore, a tattoo artist (Nat tattoo | yoga | fitness) from HoneyBee studio was present at the location, offering complimentary tattoos on bought shoes for consumers.

Given that the new firm only produces men's shoes, the predominant tattoos seen were customized monograms, followed by unique floral designs.

This relationship facilitated the artist's expansion from Brno to Prague. Additionally, HoneyBee studio, being associated with the artist, also reaps the advantages of this collaboration.



Picture 8: Collaboration with Humanic (Source: own processing, 2024)



Picture 9: Humanic leaflet (Source: Humanic shop, 2024)

Picture 9 shows the leaflet from cooperation of Humanic with the tattoo artist herself, not the whole studio as seen on the artist's logo Nat tattoo | yoga | fitness.

Content marketing

HoneyBee studio does not create content regularly. It shares a photo of the artist's work once in two weeks and approximately once a month it shares also a video.

Instagram feed is displayed in warm colors appearing professional.

Except the artist's work, the studio also shares information regarding tattooing process, natural products for tattoo aftercare and the studio's atmosphere.



Picture 10: Instagram feed of HoneyBee studio (Source: Instagram of honeybee.studio, 2024)

2.2.5 People

There is only I as the main tattoo artist in the studio. The studio however is ready to host also other tattoo artists if requested. There is a additional tattoo seat with equipment for tattooing.

2.2.6 Processes

I as the founder of HoneyBee am responsible for basic marketing of the studio and managing social media platforms such as Instagram and Facebook.

Furthermore, I am responsible for managing the finances, customer service, and administration.

First of all, the client who is interested in getting a tattoo in HoneyBee studio contacts the studio via its Instagram or Facebook account, or me directly through my personal Instagram account or a telephone call which is displayed on my website. This website is

registered under my own name as I also operate as a yoga teacher. It is linked to HoneyBee but does not serve as the primary component of the website.

Pre-tattooing process

To process the booking of the client, he needs to provide me personal as well as detailed information about his vision. *Name and surname* to link the customer with deposit, *telephone number* in case of emergency such as potential change of date of the appointment, *description* of the motive, approximate *size* of the tattoo, *placement* of the tattoo and whether the client wishes black or color ink. All the requirements are published on both the studio's and my personal social media and website so the client can serve the information immediately. Personal consultations are only possible on customer's request, otherwise the consultations take place online.

Based on the provided information I am able to find and offer appropriate dates for the tattoo appointment with terms and conditions and deposit request payment. Once the deposit has been received from the client, a confirmation of the selected appointment date is sent to them. For micro or small tattoos that do not need pre-designed motifs, the motif is created on the day of the tattoo session. For medium and large projects, the design is created 3-7 days before the tattoo session and then shared with the customer for approval.

On the day of the tattoo appointment

Prior to the client's arrival, the tattoo studio must ensure that the seating and worktable are disinfected and that any equipment to be used during the tattooing process is covered with eco-friendly protective material to prevent contamination.

Prior to commencing the tattooing procedure, the customer is required to provide their signature on a document acknowledging the formation of the tattoo. Additionally, the client is provided a selection of beverages including coffee, tea, filtered water, and sweets.

Next, the tattooing procedure is carried out.

The serene ambiance of HoneyBee studio fosters a sense of confidence and reliability between the customer and the tattoo artist. It is crucial for me to exhibit composure and professionalism, since the client tends to open up about their mental condition when sitting in the tattoo chair, placing the artist in a quasi-psychologist role.

Post-tattooing process

Upon completion of the tattoo, the client is provided with medical healing foil and aftercare kit. Producing a high-quality tattoo accounts for 50% of the whole tattooing procedure. The responsibility for the tattoo's maintenance is on the customer and how they attend to it. The whole healing process spans a duration of up 30 days, with the first 14 days being the most significant and including the most stringent limitations for the client.

The collaboration between the customer and the studio extends beyond the completion of the tattoo, as they maintain communication for many days afterwards to address any potential challenges.

In case the tattoo does not heal properly, the customer must notify me within 5 weeks after the tattoo visit, and I will provide a complimentary tattoo correction as soon as possible.

2.2.7 Physical evidence

HoneyBee Studio emphasizes maintaining a tidy and visually appealing atmosphere.

Portfolios are prominently shown, featuring the artists' past work and various motives.

Customers are provided with physical goods like medical healing foil, thorough aftercare instructions, and a free vegan aftercare kit to improve their entire experience.

2.2.8 Marketing mix assessment

2.2.8.1 Identified strengths

- Product The specialization in fine lining, delicate patterns, and decorative
 elements offers a distinct and exclusive offering. The focus on vegan and ecofriendly goods corresponds to the increasing market demand for sustainable
 options. Value is added by including services such as cover-ups of old tattoos,
 scars, and customized tattoo vouchers.
- **Place** The strategic positioning inside a versatile sports complex guarantees high exposure and easy access to a wide range of customers. Engaging with consumers

- and the community via social media platforms improves interaction and extends outreach.
- **Price** The pricing list is transparent, and I provide a clear template that is dependent on the size and intricacy of the tattoo. An economically advantageous pricing plan that accurately represents the high quality of services offered.
- Promotion The artist's active presence on social media platforms, namely Facebook and Instagram, serves as a demonstration of the work and the studio's dedication to vegan and eco-friendly practices. A variety of promotional strategies, such as television advertising, offering gifts, partnering with a beauty salon, and hosting online competitions, all help to increase the exposure of a business. Offering complimentary consultations enables the establishment of a personal rapport with customers via direct sales interactions.
- People The presence of a sole, committed tattoo artist cultivates a profound bond with customers. The ability to accommodate one more artist upon request enables the possibility of expanding our range of services.
- Processes Streamlined pre-tattooing procedures, including meticulous data gathering and adaptable consulting alternatives. Post-tattoo procedures prioritize effective client communication, diligent aftercare, and a dedicated approach to rapidly resolving any concerns.
- **Physical evidence** An organized and aesthetically pleasing studio environment helps the overall client experience. Portfolios that display previous work serve as concrete proof of the artist's abilities. The inclusion of tangible products like as medical healing foil and a complimentary vegan aftercare kit enhances the overall value and contributes to the customers satisfaction.

2.2.8.2 Identified weaknesses

- Price Restricting payment options to cash exclusively might cause trouble for some clients, particularly in a society that is increasingly embracing digital transactions.
- Place The focus on the geographical placement inside a sporting facility may restrict the reach to certain population groups. Relying on social media might be risky if there are alterations in platform algorithms or interruptions.

- Promotion Relying on online competitions for sales promotion may inadvertently exclude prospective clients who do not actively engage in social media platforms.
- People Relying only on one tattoo artist might restrict the studio's potential to grow and expand.
- Processes The need for a comprehensive pre-tattoo information procedure may dissuade clients who want a more spontaneous approach.

Table 1: Marketing mix 7% assessment

(Source: own processing, 2024)

	Strengths	Weaknesses
Product	High	Medium
Price	Medium	Medium
Place	High	Low
Promotion	High	Medium
People	Medium	High
Processes	Medium	Medium
Physical evidence	High	Low

HoneyBee Studio has a strong marketing mix, including remarkable qualities that contribute to its distinct position in the tattoo business. Nevertheless, there are areas that have the potential to be improved, as well as considerations for reducing deficiencies such as payment and promoting methods and considering expanding the team.

2.3 Motive for expansion

It may seem HoneyBee studio, established in 2023, is on the Czech market for a short time to expand into other countries. However, I see a big potential in the expansion as too little tattoo shops expand out of the Czech Republic. Collaboration with foreign tattoo studios is common in the American states mostly followed by countries in Europe, such as Spain and Germany.

By engaging in expansion, I will acquire valuable skills, while simultaneously positioning HoneyBee and myself, as artist, at the forefront of established tattoo shops and professional tattoo artists. The first phase of expanding HoneyBee's operations

internationally has the potential to facilitate future collaborations with foreign tattoo establishments, while also providing artists with the opportunity to engage in worldwide travel as an integral component of their professional endeavors. However, it is important to understand the future goals of HoneyBee studio in order to understand its direction.

2.4 Target market identification

A 2018 poll done by Dalia, 2018 has shown the countries where a substantial proportion of people have adopted tattoos. When questioned about having a tattoo, the highest proportion of respondents affirming they have at least one were discovered in Italy with 48 percent. In the United States, 46 percent of individuals admitted to having one, but in Greece, just 35 percent of internet users made the same claim (Armstrong, 2018).

In order for my studio to enter a foreign market for the first time, it is crucial to choose a nation that is both a member of the EU and in close proximity to the Czech Republic. The foreign country's location is important due to two factors. Firstly, ensuring my team can go to the foreign tattoo studio seamlessly, and secondly, promoting knowledge of HoneyBee tattoo artists to bring foreigners to Brno for artwork (Armstrong, 2018).

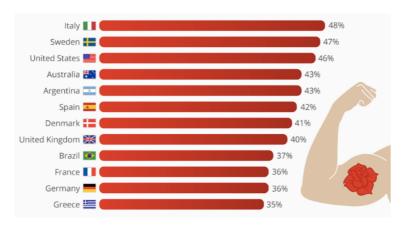


Figure 2: Where tattoos are the most popular (Source: Armstrong, 2018)

According to the research above and as the best strategy is to focus on neighboring countries, it seems that Germany is the most suitable country to travel to. To support this statement another study was conducted to determine the popularity of different nations for tattoo conventions based on the number and size of events held in each location.

With the focus on European Czech Republic's neighboring countries, approximately 63 tattooing events are scheduled to take place in Germany this year. In Austria the number is much lower with 8 events and in Poland as well with only 6 tattoo conventions this year. In Slovakia there is only one tattoo convention happening in 2024 (Events, 2024).

There are eight the largest tattoo conventions in the world in accordance with (Saadioui, 2022) are listed below:

- 1. **The London Tattoo Convention** takes place over three days at the renowned Tobacco Dock and features more than 400 top-tier tattoo artists. Attendees may anticipate outstanding creativity, live performances, and a varied gastronomic offering.
- 2. The annual Philadelphia Tattoo Arts Convention in Philadelphia features workshops, seminars, and contests to highlight a variety of abilities and celebrate tattoo culture.
- 3. **The Paris Tattoo Convention**, also known as "Le Mondial du Tatouage," brings together leading tattoo artists from across the world, creating an inspirational environment and a distinctive worldwide event.
- 4. **The Berlin Tattoo Convention** in Germany is known for its lively atmosphere, which includes live tattooing sessions, chances to network, and a constantly evolving environment that draws in aficionados from across the world.
- 5. **The Tattoo and Art Festival** in New Zealand combines Maori culture with contemporary art, with traditional tattooing, graffiti art, and cultural festivities.
- 6. **The International Tattoo Convention** in Frankfurt, Germany attracts talented painters from across the world and features competitions, seminars, and workshops, creating a thorough experience for both artists and fans.
- 7. **Florence Tattoo Convention** takes place in medieval Florence, combining traditional and contemporary tattoo art styles in a Renaissance setting, reflecting Italian hospitality and cultural abundance.
- 8. **The Sydney Tattoo and Body Art Expo** is a significant event in the Southern Hemisphere, showcasing over 250 artists, live entertainment, and a relaxed Australian atmosphere, highlighting the varied realm of body art.

Based on these researches, it is evident Germany is an appropriate destination for the HoneyBee studio crew to travel to because to the city's prominence in tattoos.

2.4.1 Target tattoo studios identification

I identified the largest cities based on population and then using Google Maps to discover the closest one to Brno for travel. The three largest cities are Berlin with a population of 3.52 million, followed by Hamburg with 1.79 million residents, and finally München with 1.45 million people. The picture below displays the positions of three cities highlighted in orange circles and the location of Brno indicated by a heart symbol.



Picture 11: Location of the three biggest German cities (Source: Google maps with own notes, 2023)

Hamburg is too far from Brno; therefore, it is removed from the list. Furthermore, Berlin and Hamburg are situated close to the Polish and Austrian borders, allowing the artists to interact with two additional nations.

In accordance with the study regarding tattoo events done in previous chapter, the city's size and location, Berlin is the most appropriate city to target.

I have established four criteria to choose the most appropriate studios to collaborate with. The conditions are sorted based on their importance. Number one is the most crucial and number four the least important.

- **1. Eco-friendly approach** the studio uses compostable material and avoids using plastics
- **2. Instagram** the studio operates on Instagram actively and shares the guest tattoo artist's work as well
- **3. Quality of the work** the artists in the studio have well done tattoos, fine lines, and proper shading techniques
- **4. Bright environment** the studio is designed in light and bright color tones evoking cleanliness and minimalism

When choosing a studio to collaborate with it is needed to be verified whether the studio offers guest spots which can be easily found on the studio's website. To search the studios, Google platform was used with the use of precisely chosen keywords: *tattoo*, *berlin*, *eco*, *vegan*, *fineline*.

There are five most suitable studios for me to cooperate with, in accordance with the criteria I have set. The table below compares all circumstances using a scale. *Yes* indicates great satisfaction, *Neutral* indicates moderate satisfaction, and *No* indicates low satisfaction.

Table 2: Appropriate tattoo shops for collaboration (Source: own processing, 2024)

	Eco-	Instagram	Quality of	Bright	
	friendliness		work	environment	
Noia studio	Yes	Yes	Yes	Yes	
Noqta tattoo	Yes	Yes	Yes	Yes	
studio					
Amika tattoo	No	Yes	Neutral	Neutral	
studio					
Selfmade	No	No	Yes	No	
tattoo					
Herr Fuchs &	Yes	Neutral	Neutral	No	
Frau Bär					

As can be seen Noia studio and Noqta tattoo studio are the most suitable tattoo shops to cooperate with as they meet all the requirements of HoneyBee studio.

2.5 SLEPTE analysis

2.5.1 Social factors

A substantial amount of the tattooing industry's success is dependent on engaging with society. The presence of clients is essential to the continued survival of tattoo studios as well as their growth. In Germany it is prohibited to get a tattoo done under the age of 14 even with a consent of parents or legal guardian. Individuals in the age of 16 – 18 years old may only get a tattoo if a guardian is present and provides written approval (BarberTattooSupplies, 2024). I believe that the age range of 18 to 44 years old is representative of the normal clientele in Brno, and I believe that this demographic is similar to that of other cities. With a population that accounts for 37.26 percent of Berlin's total population (AdminStat, 2024), this particular consumer category represents a substantial pool of prospective customers. In addition, the client base in Germany is far greater than the one in the Czech Republic, since 36 percent of the population in Germany has at least one tattoo.

2.5.2 Legal factors

The primary inquiry is to the taxes implications for a self-employed person (sole trader) who engages in economic activities while working in Germany. After coming back home, the issue arises over the location where these profits - income should be subjected to taxation.

Both the Czech Income Tax Act and the international convention are applicable in such situations. The Treaty for the Avoidance of Double Taxation between the Czechoslovak Socialist Republic and the Federal Republic of Germany, dated 19.12.1980, and enacted under Decree No. 18/1984 Coll., is applicable to Czech self-employed people operating in Germany. This treaty came into force on 28.02.1984.

In reality, self-employed folks come across two kind of contracts. The document may be either a contract for a single project ("smlouva o dílo") or a contract to join a working group known as ARGE (Arbeitsgemeinschaft).

Contract for Specific Piece of Work

The key criterion to determine when sole-trader is obligated to pay taxes in Germany is whether he/she worked at that workplace for more than 12 consecutive months, and concurrently, the construction sites were economically or geographically linked - essentially establishing a permanent establishment. Following explanations are in accordance with (Polician, 2022)

Permanent Establishment

The evidence is provided by the previously mentioned Treaty for the Avoidance of Double Taxation in Article 5 - Permanent Establishment:

- 1. The term "permanent establishment" according to this treaty refers to a fixed place of business through which the business wholly or partially conducts its activities.
- 2. The term "permanent establishment" includes in particular:
 - a) management site,
 - b) branch,
 - c) office,
 - d) factory,
 - e) workshop,
 - f) mine, quarry, or other place where natural resources are extracted,
 - g) construction site or assembly lasting more than 12 months.

Therefore, to clearly assess whether the income is obtained in Germany and taxed in Germany, question whether the sole trader operates continuously for the same client at the same location for more than 365 days.

If so, he is obliged to pay tax on this income in Germany. If he operates less than 365 days continuously, then he is obliged to pay tax on this income in the Czech Republic.

However, it's important to note that trips back home, after the work period ends (for instance, vacations or sick leave), are also counted towards the time spent in this establishment. Such interruptions are included in these 365 days.

Accession Contract to ARGE (Arbeitsgemeinschaft)

On the contrary, if a Czech sole trader have signed an accession contract to join ARGE, it means that he becomes a member, in brief and simplified terms, of a "German LLC". Consequently, the income he derives from it must be taxed in Germany.

As this ARGE is based in Germany, every workplace is considered a permanent establishment, and therefore, there is no need to count the days worked or the amount of income achieved.

Simply put, if a sole trader earns any income from ARGE, even just 1 EUR, he must declare and tax it in Germany.

2.5.3 Economic factors

A tattoo artist may choose their fees according on their expertise, knowledge, and popularity. Greater levels of these features result in more price flexibility for the tattoo artist.

What I cannot forget from the economic factors is the inflation and average wage of German population.

Inflation rate determined by increase of average yearly consumer price index expresses percentage change of average price level for previous 12 months. In this case it is October 2023 when the inflation rate is 3,8% (YCharts, 2024)

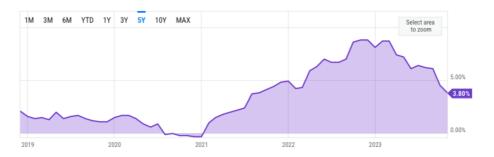


Figure 3: Inflation rate in Germany in the past 5 years (Source: YCharts, 2023)

Average wage depends on economic factors such inflation, crisis, economic growth, etc.

When determining the average gross wage of German citizens, according to German statistical data, gross wage of one employee equals to 45.457,19 EUR per year

(1.103.150,19 CZK) in 2022. This equals to 91.929 CZK per month with respect to current exchange rate.

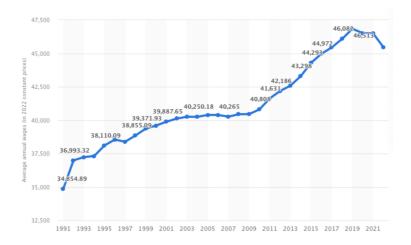


Figure 4: Average annual wages in Germany from 1991 to 2022 (Source: Statista, 2023)

2.5.4 Political factors

There are no political factors influencing my entrepreneurial practice.

2.5.5 Technological factors

Technological inputs are almost the same in Germany as in the Czech Republic. The majority of offered products are the same since both countries are part of the European Union.

Hereby I enumerate the most significant materials needed for tattooing and compare their prices between Germany and Czechia. There is much more needed for creating even the tiniest tattoo and the sum of all consumable materials is around 500 CZK per person (Knechtová, 2022) but the number has already increased to 600–700 CZK by this year. The number also increases with the size and difficulty with the tattoo.

Table 3: German and Czech technology prices comparison

(Source: Own processing in accordance with Euro tattoo supply and Tattoo safe tattoo supply, 2023)

	Price in Germany [CZK]	Price in Czechia [CZK]
Tattoo ink "I am Ink" (50ml)	490	470
Cartridge Cheyenne liner 3 (20pcs)	740	740
Hustle Butter Deluxe (150ml)	655	600
Cheyenne SOL Nova Unlimited 5.0	28.850	31.000
(tattoo machine)		

When it comes to consumables or commodities, there are only few eco-friendly options in the Czech Republic which can be used as replacement for plastics. But even there are just few, it is possible to go 100% eco-friendly using only compostable material. However, I am not taking needles and cartridges into consideration as these have to be disposed in accordance with the law.

On the German market there are much more biodegradable options for tattoo artists to use. In comparison to the Czech market where there are three brands selling approximately two eco-friendly options for each component. On the German market there are only three brands of this kind but offering numerous options for the artists to choose from (TattooSafe, 2023) (EuroTattooSupply, 2023)

Current state of the tattoo industry saw significant legal shifts in January 2022. Once pigments are embedded in the skin through tattooing or permanent makeup, they initially remain near the application site, making the tattoo visible. However, within a short period after application, soluble substances disperse throughout the entire body. Consequently, these substances impact the skin and other organs for extended durations, causing potential health risks. Some of the substances found in tattoo and permanent makeup inks have hazardous properties, posing a danger to human health. This exposure signifies an unacceptable level of risk to human health. As a result, the majority of inks available for purchase cannot be used on human skin but can only serve as artistic colors for painting or for training purposes on artificial skin. The tattoo industry has been given one year since the implementation of these regulations to comply with the new standards. While a few ink manufacturers have already adjusted, compliant tattoo inks in line with EU

regulations have seen a substantial price increase (eSipa-předpisy-EU, 2020) (CelticSupply, 2022).

2.5.6 Environmental factors

The tattoo industry has a significant environmental footprint, but it's also affected by environmental factors. Currently, our environment is in dire need of assistance due to the consumptive nature of society. Human actions, such as pollution of water, air, and land, reflect a lack of attention to environmental concerns. Plastic-filled seas, fires, floods, hurricanes in specific regions, and various other factors are impacting millions of people globally, highlighting the urgent call for environmental support.

Humans have been dealing with the corona virus since the year 2020, but no one knows where it came from. This catastrophe might be interpreted as Mother Earth's crying for help.

To reduce the amount of danger to human health posed by tattoo consumables while also reducing the environmental effect, the European Commission, as mentioned in previous chapter *Technological factors*, has adopted regulations governing the composition of tattoo inks.

2.5.7 SLEPTE analysis assessment

2.5.7.1 Identified opportunities

- Social factors There is a significant market potential for tattoo studios in Berlin due to a large portion of the population falling under the typical customer age range (18-44 years old). Moreover, the higher prevalence of tattoos among 36% of the German population, compared to the Czech Republic, signifies a larger customer base, indicating potential growth opportunities for the industry.
- Legal factors Understanding the tax regulations and international treaties between the Czech Republic and Germany enables sole traders to broaden their business across borders, reaching diverse markets. In addition, clear guidelines detailing tax obligations in each country offer self-employed individuals operating in both the Czech Republic and Germany clear and precise instructions.

- Economic factors Czech sole traders, such as tattoo artists, have the freedom to determine their prices according to their expertise, skills, and the demand within the German market. Greater expertise and demand provide them with increased flexibility in pricing. Understanding economic factors such as inflation and the average wage of the German population helps in devising better pricing strategies and finding the right position in the market.
- Political factors There are no opportunities or threats regarding political factors.
- Technological factors Germany and the Czech Republic have similar technological inputs as a result of their EU membership, ensuring comparable quality in tattooing products. This similarity makes it easier for Czech tattoo artists to transition smoothly to Germany. Additionally, comparing tattooing material prices reveals potential cost advantages in buying specific consumables in Czechia, offering an opportunity for cost-effective operations for Czech workers in Germany.
- Environmental factors By operating an eco-friendly and with vegan approach, there's considerable potential in utilizing only environmentally sustainable materials. This approach prepares me as an entrepreneur for potential regulations concerning non-degradable or non-recyclable materials, eliminating the need for extensive adjustments.

2.5.7.2 Identified threats

- Social factors Changes in how society views tattoos or shifts in cultural
 preferences could affect the demand for tattoos among the specific customer
 group. Additionally, the larger customer base in Germany may increase
 competition among tattoo studios, making it harder for businesses to differentiate
 themselves or attract clients.
- Legal factors The intricacies of figuring out tax responsibilities due to the duration and nature of work across borders might be problematic for sole traders, possibly causing confusion or mistakes in their tax submissions. Abiding by the tax regulations of both countries might impose administrative challenges on sole

traders, requiring careful record-keeping and adherence to precise criteria to steer clear of legal issues.

- **Economic factors** The current inflation rate in Germany, standing at 3.8%, might alter how consumers spend and impact the purchasing capability of potential clients, potentially influencing the pricing strategies of tattoo artists. Differences in average wages between countries could create difficulties in setting competitive prices or grasping the accurate economic landscape of the target market.
- **Technological factors** Recent legal shifts in the tattoo industry, particularly related to ink composition and health risks, might be challenges for Czech workers in Germany. If similar regulation occurs in the future with subsequent significant price increase, operations and cost efficiency would be highly impacted.
- Environmental factors Future regulations related to environmental conditions
 might impact the tattoo industry similarly to the January 2022 regulations
 regarding Covid-19. This aspect falls under legal considerations as well.

Table 4: SLEPTE analysis assessment

(Source: own processing, 2023)

	Threats	Opportunities
Social factors	Low	High
Legal factors	Medium	Medium
Economic factors	Medium	High
Political factors	Low	Low
Technological factors	High	High
Environmental factors	Medium	Medium

SLEPTE analysis assessment is done for clear display of those factors which needed to be taken into consideration at first.

I need to consider the highest risk associated with technological factors together with medium ones related with legal, economic, and environmental factors. Nevertheless, these risks across these four categories are quite alike, particularly in terms of regulations and governmental authority in crisis management.

The rate of opportunities exceeds the scope of threats which is a very favorable situation.

High opportunity in social factors represents wide target audience as tattoos are highly popular in Germany. Secondly, economic factors are assessed as high mainly because of the level of pricing in Germany in contrast to the Czech Republic. Tattoos in Czechia are priced approximately 1.000 - 3.500 CZK per hour whereas in Berlin the prices are 1,4 - 2,57 times higher than in Czechia. In addition, earnings made in Germany can be taxed in the Czech Republic without any further complications.

Lastly, high level of opportunities concerning technological factors represents same conditions and level of products quality in Germany as in the Czech Republic. This means, there are not any significant factors changing or complicating the process of entrepreneurship.

2.6 Porter's five forces

2.6.1 Threat of new entrants

Companies seeking to enter the tattoo industry with a particular emphasis on environmentally friendly and vegan products must possess specified certifications. Germans place a significant emphasis on quality. For the potential clients, in order to choose a new tattoo studio, it is necessary to collect reliable information and carefully evaluate the quality of the services being supplied. Publicly accessible client references are essential for verifying the high level of satisfaction with the services. It is reasonable to expect tattoo firms to operate in a trial phase for a period of 6-12 months in order to gather all the necessary references and experiences.

Customers are actively searching an established tattoo business that provides high-quality goods and services. Conversely, the diverse portfolio the company sells, and tattooing style are the tattoo artists' experiences themselves.

The global tattoo industry is seeing significant growth. The growth is projected to persist at a compound annual growth rate of 9.43% until 2029 (Businesscoot, 2023)

Tattoos are seeing a surge in popularity in Germany. From 2010 to 2018, the prevalence of tattooed individuals in Germany rose from 10% to 18%. Projections for 2021 indicate that around 27% of the German population will have tattoos. There has been a rise in the quantity of tattoo artists. In the current industry, characterized by intense competition,

tattoo artists are increasingly depending on innovative communication via social media platforms to distinguish themselves from others (Businesscoot, 2023)

2.6.2 Threat of substitution

From my personal and my colleague's tattoo artist experience, potential customers can be divided into three main categories. The first group consists of consumers who are specifically seeking a tattoo artist based on their unique tattooing style. These clients often exhibit a willingness to pay any price for a certain artwork. The second type comprises consumers who want the style of a certain tattoo artist but are seeking it at a more affordable rate from a different artist. Lastly, there is the third group including clients seeking a tattoo studio with artists proficient in tattooing various styles. These tattoo artists often fulfill consumers' budgetary requirements.

Additionally, it is worth noting that those who prioritize environmental sustainability or adhere to a vegan lifestyle have the option to explore various tattoo studios in Berlin that cater to their preferences. It is evident that this trend is gaining traction within the tattoo business (O'Brien, 21). Nevertheless, vegan tattoo studios are not necessarily always environmentally conscious, since adhering to eco-friendly practices sometimes incurs more costs. Some clientele are unaware of this fact due to insufficient education from tattoo artists about environment. However, as the world continues to develop and prioritize ecology, the newer, more educated generations tend to favor higher ecological norms.

According to this, potential consumers have the option to replace a vegan and eco-friendly tattoo shop with another one that is falsely claiming to be of the same sort.

2.6.3 Buyer bargain power

The pricing in the tattoo business is not rigidly standardized. Each nation has a general standard of pricing that self-employed tattoo artists use as a basis for determining their rates, taking into account factors like as their level of expertise, the materials they use, and any brand affiliations they may have. Tattooing is an artistic practice that has a unique price structure distinct from other services. Customers carefully consider before having a tattoo due to its permanent aspect. Customers readily adjust to the cost of a tattoo artist

if the artist has a well-established brand and a distinctive portfolio. Certain tattoo businesses, who hire tattoo artists without distinctive handwriting or are novices, engage in market competition by offering lower pricing. Occasionally, they even pilfer potential customers who want the artwork of a certain artist, but at a discounted price.

In the tattooing business, customers often make upfront payments called deposits as a means of agreeing to the terms and conditions set by the tattoo shop.

2.6.4 Supplier bargain power

There are numerous tattoo suppliers in Germany. However, Czech tattoo artist in Berlin is not reliant on suppliers since they either bring their own materials or the studio provides them.

Tattoo supplies in Germany are priced similarly to those in Czechia. In addition, Germany offers a broader range of environmentally safe consumable materials, which benefits tattoo artists caring about the environment.

2.6.5 Competitive rivalry

Germany is a prominent hub for tattoo equipment manufacturers that export their products worldwide, making tattooing increasingly prevalent in the country (Cheyennetattoo.com, 2024). There are around 345 tattoo shops in Berlin, a much higher number than in Brno making the competitive rivalry significantly high (Smartscrapers, 2024).

It is important to make research about tattoo studios working with eco-friendly material, quality of the tattoos and service and an overall visual of the studios, as these are important aspects of my studio as well. This research was already done in chapter 2.4.1 Target tattoo studios identification, where 5 tattoo studios were identified. When choosing one tattoo shop for collaboration, the rest are becoming the competitors of mine. All 5 tattoo studios are displayed in following picture.



Picture 12: Geographical location of the competitors (Source: Google maps with own notes, 2024)

2.6.6 Porter's five forces analysis assessment

2.6.6.1 Identified opportunities

- Threat of substitution By catering to different consumer groups, such as offering unique tattooing styles, inexpensive pricing, and diversified styles, a business may expand its market reach and attract customers with varying tastes.
- **Buyer bargaining power** Tattoo artists that own unique and high-quality portfolios have the ability to charge higher costs, allowing them to take advantage of premium pricing opportunities.
- Supplier bargain power Tattoo artists from the Czech Republic working in Berlin, who either carry their own materials or use ecologically friendly consumables, may have more control over their supply, therefore minimizing their reliance on suppliers.
- Competitive rivalry Being located in a central hub for producers of tattoo equipment and having a large concentration of tattoo shops might provide chances for partnerships, the sharing of resources, and networking.

2.6.6.2 Identified threats

- Threat of substitution False information on environmental practices is a significant hazard, since it may lead clients to inadvertently patronize a studio that seems to be environmentally friendly but does not really adhere to sustainable principles.
- **Buyer bargain power** Customers who are sensitive to price may switch to studios that offer cheaper prices, particularly if they do not fully understand the benefits of eco-friendly and vegan goods or the distinctive designs that are available.
- Competitive rivalry The intense rivalry in Berlin might potentially trigger price wars, resulting in a decrease in profitability. In order to stay ahead in the market, studios must continuously engage in innovation and distinguish themselves from their competitors.

Table 5: Porter's five forces analysis assessment

(Source: own processing, 2024)

	Threats	Opportunities
Threat of new entrants	Medium	Medium
Threat of substitution	Medium	Medium
Buyer bargain power	Medium	Medium – High
Supplier bargain power	Low – medium	Low – Medium
Competitive rivalry	High	Medium

The average degree of opportunity is moderate, and there is the possibility of distinction via the use of distinctive styles, strong branding, and prospects for cooperation in the center for producers of tattoo equipment.

The growth expectations, the popularity of tattoos in Germany, and the possibility for cooperation and networking all contribute to the overall opportunity level, which ranges from moderate to high.

2.7 Marketing research

The subsequent chapters of this study concentrate on the author's own research, whereby organized inquiries are posed to both the proprietors of selected tattoo establishments and the clientele, in order to gather diverse viewpoints.

2.7.1 E-mail interview

To get a comprehensive understanding of how studios function in the market and to acquire precise information, I sent individual emails to each studio requesting collaboration. I have gotten a response from each individual one, thereby initiating this online interview via email correspondence.

The aim of the interview was to get precise information directly from the service provider. I considered factors such as style, demand, price, and communication methods of each studio to formulate 10 questions:

- 1. What style of tattoos is the most demanded?
- 2. How much do customers spend on one tattoo in average?
- 3. What is the minimum price for a tattoo in your studio?
- 4. What is the hourly rate of tattoo artists in your studio?
- 5. How much does the guest spot cost for one day?
- 6. Is there a special price when the guest artist stays for more days?
- 7. When is the high season of tattooing in your studio?
- 8. Through what communication channels do the customers contact you?
- 9. Do the customers book an appointment at the studio or the artist himself/herself?
- 10. What equipment and materials do your studio provide the guest tattooist?

2.7.1.1 E-mail interview assessment

Table 6: E-mail interview

(Source: own processing in accordance with e-mail interview, 2023)

too Frau Bär
Old school,
realism
200 EUR
R Min: 100 EUR
100–150
EUR/hour
fee 130 EUR
oles 130 EGR
price Special price
when only when
for hosting for
>7days
Autumn –
Spring
Instagram,
email, phone
At the artist
al in Same material
egan, Vegan,
compostable

The studios provide a variety of designs and pricing alternatives to attract different client segments. Each studio provides distinct pricing and incentives based on the duration of hosting or certain time frames.

Studios use many communications means such as Instagram, email, and phone. Implementing an omnichannel strategy on many channels would broaden the audience reach.

Studios operate seasonally, especially in winter. Marketing techniques that target seasonal tastes and adapt promotions accordingly might take advantage of the fluctuating demand for tattoos.

Both Noqta Tattoo Studio and Selfmade Tattoo charge an average of 190 EUR per hour for their services. If money is not a major factor, both alternatives are viable.

Noia Studio and Herr Fuchs & Frau Bär typically charge 137 EUR/hour for their services, but their rates may go up to 200 EUR/hour at the most. Both studios seem to offer affordable rates.

Amika Tattoo Studio charges an average rate of 150 EUR per hour, which is attractive to budget-conscious customers.

All studios use vegan or mostly vegan materials. The popularity of eco-friendly and sustainability is evident in interviews, with consumable materials being utilized in three out of five studios. Only two studios, Herr Fuchs & Frau Bär and Noia studio, employ consumable materials solely. The Noqta studio primarily utilizes a variety of materials, with an emphasis on consumable ones, while the other two studios mostly rely on plastics. In order to align with HoneyBee's strategy in Brno, I must choose a tattoo studio that only uses eco-friendly consumable materials. The studios include Herr Fuchs & Frau Bär, Noia studio, and Noqta tattoo studio.

2.7.2 Outsourced structured interview

I took the advantage of communicating directly with the tattoo shops and established ten structured interview questions. I asked each tattoo shop to make the interview on behalf of me. One studio kindly declined the interview due to time constraints. Two out of five studios have their receptionist who was willing to interview on behalf of me and tattoo artists from the last two studios agreed to make the interview as well.

There was only one requirement from my side, to locate ten respondents at minimum.

The interview was recorded by the receptionists or tattoo artists themselves and shared online to be subsequently processed and evaluated by myself.

This qualitative research is done to help me understand the customer needs and expectations.

The whole interview consists of 11 questions which are structured into five parts. First section is focused only on gathering fundamental data such as the respondents' nationality and age to analyze their correlation with subsequent questions. The questions that followed in the four parts were centered on the marketing mix 4C so I can use this data for new marketing mix 4P creation.

The questions are summarized into graphs and evaluated based on their association.

Table 7: Number of respondents in questioned tattoo shops

(Source: own processing, 2024)

Tattoo	Noqta	Noia	Amika	Selfmade	Herr Fuchs	Total
studio					& Frau Bär	
N. of	13	9	4	11	0	37
respondents						

At total 37 responses were collected and assessed. The data clearly indicates the tattoo businesses that had receptionists based on the biggest number of replies. Noqta tattoo studio collected 13 responds and Selfmade tattoo 11. The two studios where the artists themselves were obtaining the responds is a bit lower. Noia studio obtained 9 responds and Amika 4 responds. There are no responds from Herr Fuchs & Frau Bär since it refused to organize the interviews.

2.7.2.1 Initial questions

Question n. 1: Nationality

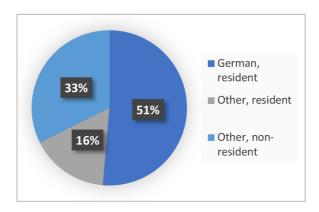


Figure 5: Nationality of respondents

(Source: own processing, 2024)

From the total of 37 respondents, more than half creates German residents. The second biggest segment which creates 1/3 of the respondents, are foreigners. And lastly 16%

creates residents with different nationalities who moved to Germany from their home country mostly for business purposes.

Question n. 2: Age

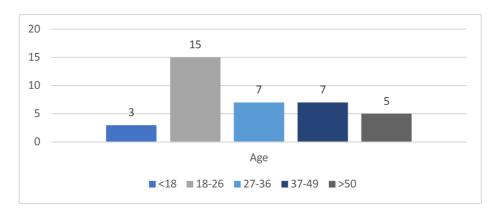


Figure 6: Age of respondents (Source: own processing, 2024)

The largest customer segment (41%) consists of clients in the age of 18-26 years old. 38% of respondents are in the age of 27-46 where the value is spread among the two categories 27-36 years and 37-49 years evenly. Only 8% of minor consumers need the approval of a responsible authority for the tattoo creation. 14% of the clientele are over 50 years old, making them the second smallest customer demographic. As can be seen, primarily young individuals are the predominant users of tattooing services in Berlin.

2.7.2.2 Customer value

Question n. 3: What kind of a tattoo are you here for?

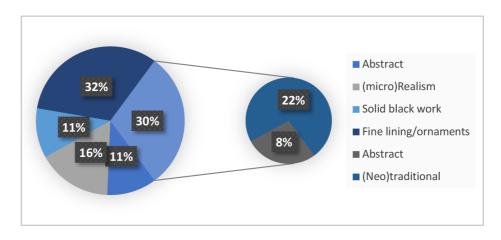


Figure 7: Style of required tattoo (Source: own processing, 2024)

The bigger circle stands for all the tattoos done and the smaller on the right side represents tattoos done with color ink. 70% of all tattoos were created using black ink only. Other 30% were made using the combination of black and colorful ink or colorful ink only.

There are three tattooing styles, abstract, traditional and neotraditional tattooing style, usually created with the use of colorful ink.

Fine line tattoos are often the complete opposite of solid styles such as traditional, neotraditional, and solid black art. Fine line often refers to little and delicate tattoos, whereas traditional and neotraditional styles are often larger and more elaborate endeavors. Realistic projects tend to be larger in scale, while micro realism is executed on a very tiny scale.

Delicate linework and decorative elements are tightly linked, comprising a single category that accounts for 32% of the tattoos completed for the participants. Approximately 49% of tattoos are created with solid motifs in traditional, neotraditional, and realistic styles. Estimated because to the lack of specific information provided by respondents on the size or complexity of the tattoo, realism and microrealism form a single category in this study.

Abstract tattoos are becoming more popular due to their representation of freedom, eccentricity, and no limitations. This category, however, creates only 19% of respondents.

Question n. 4: Based on what aspects did you choose this tattoo shop?

This question is one of the most crucial in terms of deciding on the first stages of a marketing plan.

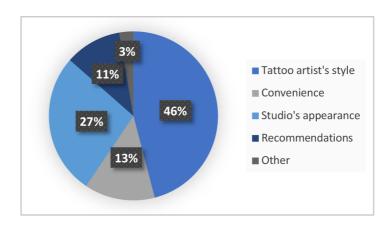


Figure 8: Aspects that influenced the choice of the tattoo shop (Source: own processing, 2024)

Almost 50% of respondents chose their tattoo based on the tattoo artist's style. The second biggest category, comprising 27% of the total, chose their tattoo based on the appearance of the studio and the designs it offered. This is related to the tattoo artists themselves since it is their portfolio. The aesthetics of the studio, including the use of colors and decorations, are also important in a tattoo business.

13% of the clientele choose the tattoo business due to its convenient location and operating hours. These people often prefer not to travel long distances and want to get their tattoo completed promptly.

11% of the participants based their decisions on suggestions from their friends and family members. Most suggestions focused on the tattoo artist him/herself, although some also mentioned the tattoo shop specifically.

2.7.2.3 Convenience

Question n. 5: How far did you travel to get your tattoo done?

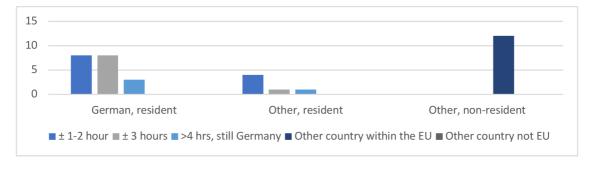


Figure 9: Distance travelled to the tattoo shop (Source: own processing, 2024)

The bar chart above deals with the correlation of nationality of the respondents with the traveled distance to the tattoo studio.

German residents in Germany often traveled up to 3.5 hours on average. Non-German residents traveled shorter distances in Germany, with an average length of around 2 hours. Foreign travelers arriving from abroad were exclusively coming from EU nations only.

Following graph summarizes the purpose of foreigners travelling to Germany to get a tattoo done.

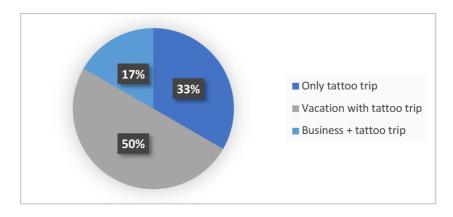


Figure 10: Purpose of the travel of non-residents (Source: own processing, 2024)

Half of the foreign respondents combined their vacation with a tattoo trip and stayed for longer than 3 days in Germany. Majority planned the term of their vacation based on the date of their tattoo appointment. 17% of these respondents combined their tattoo appointment with a business trip and stayed 2-5 days in Germany. One third of the foreign clients traveled to Germany only to get a tattoo done and stayed for up to 3 days depending on the project's range and tattooing duration.

Question n. 6: Are you using the services of this studio for the first time or are you a returning client? Why?

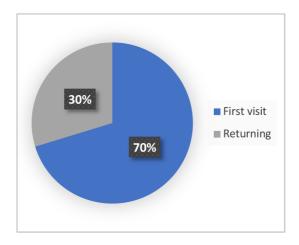


Figure 11: Customer loyalty (Source: own processing, 2024)

There are 30% of returning clients stating they were either satisfied with the first tattoo or secondly are still in the process of finishing the tattoo (large projects). The bigger rest (70%) are clients visiting the tattoo salon for the very first time.

Question n. 7: If your tattoo artist moved to a different tattoo shop, how far would you travel to get a tattoo done by him/her?

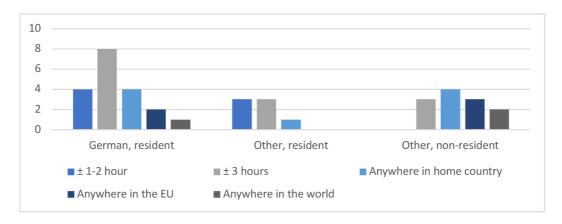


Figure 12: Distance willingness to travel (Source: own processing, 2024)

German citizens typically travel around 3 hours for a tattoo. 21% of German inhabitants are unwilling to travel long distances, but another 21% are willing to go anywhere inside the nation.

Customers of various nationalities residing in Germany often visit nearby for a tattoo. Even if their tattoo artist relocates, they typically only travel up to 3.5 hours.

Foreigners have more flexibility in going for a tattoo and are prepared to travel from 3 hours to any place within EU nations. 16% of non-residents are even willing to go anywhere on Earth. Contrary to the whole responder category, it barely accounts for 5%.

2.7.2.4 Communication

Question n. 8: Do you follow your tattoo artist or the tattoo shop on social media?

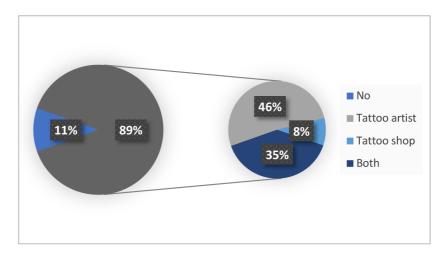
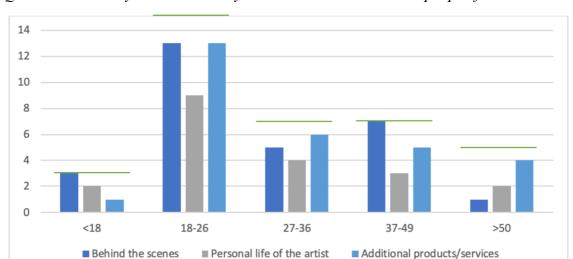


Figure 13: Tattoo artist vs tattoo shop interest (Source: own processing, 2024)

It is evident that the great majority (89%) of respondents are engaged on social media, namely on Facebook or Instagram. Youth also said that they have a tendency to utilize TikTok more often than the other two platforms. Only 11% of people do not use social media at all. This information aligns with the respondents' age, which is above 50 years old.

When comparing the customers' preferences between tattoo artists and tattoo shops, a significant majority of respondents follow the artists or both the artists and the tattoo shop. 62% of clientele that follow both said that they follow the tattoo shop as a complement only.



Question n. 9: Are you interested beyond the artists' or tattoo shop's portfolio?

Figure 14: Customers' interest in services (Source: own processing, 2024)

The green lines above each age group reflect the total number of responders in that category. Respondents in this question indicated a greater interest in many facets of the studio/artist than just the final output. Youth, being the most active on social media, are particularly interested in behind-the-scenes films showcasing the design process, tattoo station setup, and the actual tattooing procedure.

Overall, the great majority of responders expressed interest in behind-the-scenes footage. Customers over the age of 50 are more interested in supplementary services than photos or videos of the studio or the artist.

Furthermore, the personal life of the tattoo artist seems to be significant for over 50% of all customers.

68% of participants expressed a preference for having all necessary items available in one location, such as tattoo aftercare products or other merchandise sold within the store, even if it is unrelated to tattooing. In addition, out of these 68% interested in additional services, more than 70% expressed the service beyond tattooing to be as important. They require friendly approach from the studio and the artists and prefer refreshments to be provided at the place. Furthermore, rough 55% of respondents interested in additional services would appreciate a little gift after tattoo is done. There were also examples mentioned, such as aftercare cream, stickers, any merch product or discount cards for the next visit.

Following graph represents ratio between people preferring videos and those preferring photos to be published online.

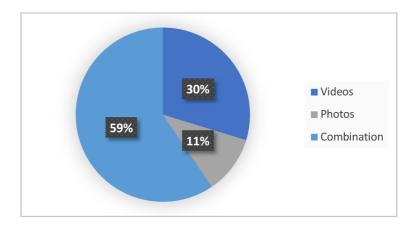


Figure 15: Instagram feed interest (Source: own processing, 2024)

Social media and the content are evolving every year and content creators have to stay updated to be seen online. Currently, videos surpass images in attractiveness and effectiveness in conveying a message concisely and effortlessly.

Around 60% of participants prefer when the artist or studio integrates videos and photographs in their feed for better navigation.

2.7.2.5 Cost to satisfy

Question n. 10: Is the price of a tattoo influencing your choice of an artist or a studio?

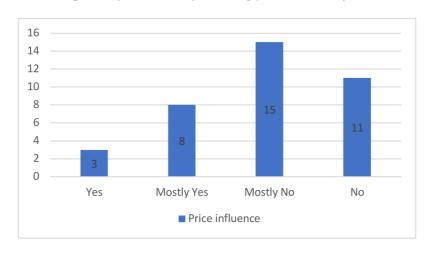


Figure 16: Customers' price sensitivity (Source: own processing, 2024)

Clients who choose to get a tattoo are often not concerned about the cost. 40% of customers who responded "mostly no" said that they would delay their tattoo session and save money if the price exceeds their expectations. Approximately 30% of respondents show complete indifference towards the expense of tattoos. They said that they are willing to pay more when they like the tattoo style and quality of work. However, an equal number of responders are swayed by the price. 22% hesitate to get a more expensive tattoo, while over 50% would not use the service.

Finally, 8% of respondents would not consider getting a tattoo that exceeds their projected price and would instead look for a more affordable alternative.

Question n. 11: What price is optimal for you to pay for this tattoo (10x10cm)? What price is so high that you would refuse this tattoo? What price is so low that you would doubt the quality of the tattoo?



Picture 13: Reference tattoo to valuation (Source: own processing, 2024)

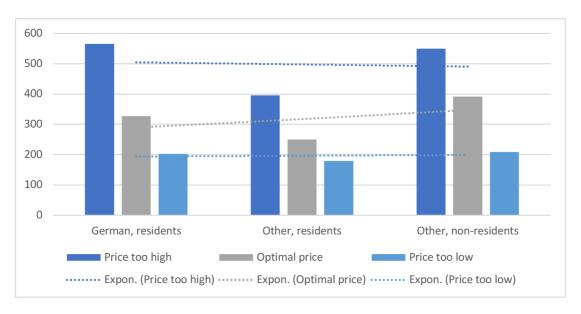


Figure 17: Precise customers' price sensitivity (Source: own processing, 2024)

As can be seen, German residents and non-residents stated a price over 500 EUR to be too high for a tattoo of given size. All of the respondents indicated very similar price around 200 EUR which makes them doubt the quality of the work. Non-residents in general are willing to pay more, almost 400 EUR, than German and other residents. Contrarily, other residents are willing to pay over 100 EUR less than non-residents.

2.7.3 Outsourced structured interview assessment – Marketing mix 4C

2.7.3.1 Customer value

A significant majority of respondents (70%) express a preference for tattoos executed with black ink. Thus, it is essential for tattoo shops to have a varied portfolio that encompasses fine line tattoos, conventional styles, and realistic designs.

Approximately 50% of participants choose their tattoos based on the artist's distinctive style, emphasizing the importance of displaying individual creative skills.

2.7.3.2 Cost to satisfy

Following table indicates the average rates respondents imagine to be.

Table 8: Customers' pricing idea

(Source: own processing, 2024)

Respondent	Price too high	Optimal price	Price too low
German, resident	566 EUR	326 EUR	202 EUR
Other, resident	396 EUR	250 EUR	179 EUR
Other, non-resident	550 EUR	392 EUR	208 EUR

Over 50% of those who responded are influenced by the cost. Roughly thirty percent of respondents exhibit total apathy toward the cost, highlighting the need of developing pricing strategies that are competitive.

Both German residents and non-residents believe that a price that is more than 500 Euros is too costly, while a price that is around 200 Euros is considered to raise concerns about the quality of the product.

The most important values are the optimal prices. The average optimal price for all respondents is 323 EUR for the given tattoo.

2.7.3.3 Convenience

A significant proportion of international visitors from EU states have a preference for extended durations, as seen by 50% of them combining business visits with vacations lasting more than 3 days.

Customer loyalty is influenced by factors such as convenience and the availability of additional services. Tattoo studios should thus consider expanding their range of services beyond tattooing and creating a welcoming atmosphere for customers.

For Germans, even if their tattoo artist relocates, they would travel up to 3.5 hours. However, international customers are more open and willing to travel wherever within the EU in the average.

2.7.3.4 Communication

89% of respondents are active on social media, with a preference for videos and information that takes place behind the scenes. More than 60% of individuals appreciate when artists or studios include both videos and images into their social media feed.

2.7.4 Tattoo price comparison between Brno and Berlin



Picture 14: Reference tattoo for price comparison (Source: project owner's archive, 2024)

This tattoo was done by me in HoneyBee studio. In accordance with my studio's pricing list, this tattoo come under Small sized projects. The duration is approximate at around 2,5 hours including the preparation of the stencil and final treatments. The duration of the tattooing process mainly relies on the individual customer, his skin sensitivity and endurance during the tattooing procedure. This tattoo is worth 3.750 CZK when done in HoneyBee studio. This pricing comes under the higher category of tattoo shops offering high quality services in Brno. The price however varies by around 1.500 CZK.

Taking the pricing of tattoo shops in Berlin into consideration, the prices are much higher than in Brno. By calculating the average price of all questioned studios and assuming this tattoo required the same time to finalize, the price for this tattoo would be 265 - 515 EUR, 6.705-13.030 CZK with respect to the current exchange rate. The ultimate cost is contingent upon the individual artist rather than the tattoo establishment as a whole.

To conclude, tattoos are charged 1.8 - 3.5 times higher in tattoo shops in Berlin compared to my studio in Brno.

2.8 SWOT analysis

The very last analysis which is conducted is SWOT analysis to determine how I can take advantage of the strengths of the brand together with the opportunities on the market. Furthermore, SWOT analysis also identify threats and weaknesses and by using TOWS matrix it helps to find ways and solutions to mitigate or avoid them.

To begin with, every element is dissected. The most significant factors are identified by pairwise comparison, while those that are not relevant are discarded. The most pertinent factors are subsequently utilized in the TOWS matrix, which evaluates the entire analysis.

2.8.1 Strengths

- S1: *Unique specialization* fine lining is being a trendy tattooing style nowadays
- **S2**: *Commitment to sustainability* customers with the same attitude seek tattoo shop of the kind
- S3: *Quality service* usage of high-quality material, medical foil, value added in services beyond tattooing (refreshments, aftercare kit, all free of charge)
- S4: Strategic location studio is part of multifunctional sports and business complex
- S5: Transparent pricing pricing list publicly displayed without price increase
- **S6**: *Diverse promotion strategies* usage of social media and TV in the sports complex
- S7: *Personal connection with the artist* only one artist in the studio is creating the tattooing process more personal and relaxing; high benefit for clients who wish to have a tattoo on body areas which require them to be undressed
- **S8**: *Efficient processes* design is prepared in advance, so the client does not have to wait several hours in the studio pre-tattooing
- **S9**: Aesthetically pleasing studio environment cozy environment for making tattooing more intimate and unforgettable
- **S10**: *Parking lot* parking places right in front of the complex for visitors is free of charge

2.8.2 Weaknesses

- W1: Cash payments only making uncomfortable situation for the clients even before entering the studio
- **W2**: Geographical restriction the sports complex is not in the city center, making the travel challenging for customers who do not use cars
- **W3**: *Social media dependency for promotion* no website is restricting the clients without social media
- **W4**: *Sole artist dependence* only one artist is offering only limited tattooing styles; longer waiting period as there is only one person performing the job
- W5: Commitment to sustainability the studio is limited by the sustainable material choices
- **W6**: *Higher price* due to the usage of vegan and ecological materials, clients may see the cost as excessive and choose to replace the studio with an alternative

2.8.3 Opportunities

- **O1**: Growing tattoo market in Berlin the tattoo market is open for any artist having a portfolio
- **O2**: *Integration of digital payment options* when hosting in Berlin, artist can use the advantage of the digital payment methods in the tattoo shop
- **O3**: Collaboration and partnerships tattoo shops are open to cooperate with artists known on social media to enhance their business
- **O4**: Online presence enhancement by collaboration with well-known studio, social media awareness would increase
- **O5**: *Market expansion with additional artists* it is possible that if I visit tattoo shops in Berlin, the local artists may be interested in collaborating and coming to HoneyBee studio
- **O6**: Cost-effective operations with Czech/German suppliers freedom in choosing the most suitable material from Czech or German market
- **O7**: Potential regulatory alignment with eco-friendly practices as with each year there are small steps in terms of sustainable regulations, my studio has already taken proactive measures and is ahead in adjustments

2.8.4 Threats

- **T1**: *Societal shifts in tattoo preferences* there is a tattoo boom nowadays but not necessarily eternal
- T2: Tax confusion for cross-border operations taxing may be challenging in the beginning of international entrepreneurship
- **T3**: False claims on environmental practices studios pretending to be sustainable can pull in unaware customers
- **T4**: *Price-sensitive customers* customers select for more affordable alternatives at tattoo shops, without prioritizing environmental policies or higher quality services
- T5: Lack of customers HoneyBee studio or I as an artist are new on the German market, so it is possible there will not be as many customers as expected
- **T6**: *Intense market competition* in Germany especially Berlin the competition is very high causing no clients in the beginning

2.8.5 Pairwise comparison of factors of SWOT analysis

To find the most pertinent factors and conduct the TOWS matrix, the number of strengths, weaknesses, opportunities, and threats are reduced. Thus, characteristic comparisons (weights calculation) are performed when there are more items than needed. A three-level evaluation compares trait importance:

- 1 the characteristic is more significant than the trait being compared,
- 0,5 the weight of both qualities is equal,
- 0 the trait is less important.

After ranking the characters by weight, only the six heaviest are chosen for the final TOWS matrix.

2.8.5.1 Pairwise comparison of strengths

Table 9: Weights calculation – strengths

(Source: own processing, 2024)

S(x)	Strengths	S1	S2	S3	S4	S5	S6	S 7	S8	S9	S10	Sum	Weight (%)
S1	Unique specialization	/	1	0,5	1	1	0,5	0,5	1	0,5	1	7	16
S2	Commitment to sustainability	0	/	0	0,5	1	0,5	0,5	1	0,5	1	5	11
S3	Quality service	0,5	1	/	1	1	0,5	1	0,5	1	0,5	7	16
S4	Strategic location	0	0,5	0	/	1	0,5	1	0,5	0,5	0,5	4,5	10
S5	Transparent pricing		0	0	0	/	0,5	0	0,5	0	0	1	2
S6	Diverse promotion strategies	0,5	0,5	0,5	0,5	0,5	/	1	0,5	0	0	4	9
S 7	Personal connection with the artist	0,5	0,5	0	0	1	0	/	1	0,5	1	4,5	10
S8	Efficient processes	0	0	0,5	0,5	0,5	0,5	0,5	/	0,5	0,5	3,5	8
S9	Aesthetically pleasing studio environment		0,5	0	0,5	1	1	0	0,5	/	0	4	9
S10	Parking lot	0	0	0,5	0,5	1	1	0	0,5	1	X	4,5	10
Total												45	100

From the total of ten identified strengths, six the most relevant are displayed in the following table.

Table 10: The most relevant strengths

(Source: own processing, 2024)

Ranking	S(x)	Strengths	Weight (%)
1	S1	Unique specialization	16
1	S3	Quality service	16
3	S2	Commitment to sustainability	11
4	S4	Strategic location	10
5	S7	Personal connection with the artist	10
6	S10	Parking lot	10

The most significant strengths are S1: Unique specialization and S3: Quality service with the weight of 16%.

2.8.5.2 Pairwise comparison of weaknesses

Table 11: Weights calculation – weaknesses

(Source: own processing, 2024)

W(x)	Weaknesses	W1	W2	W3	W4	W5	W6	Sum	Weight (%)
W1	Cash payments only	/	0	0	0,5	0	0	0,5	3
W2	Geographical restriction	1	/	0,5	0,5	0	0	2	13
W3	Social media dependency for promotion	1	0,5	/	1	0,5	1	4	27
W4	Sole artist dependence	0,5	0,5	0	/	0	0	1	7
W5	Commitment to sustainability	1	1	0,5	1	/	0,5	4	27
W6	Higher price	1	1	0	1	0,5	/	3,5	23
Total								15	100

There is no need to decrease the number of weaknesses as six weaknesses have already been discovered. Therefore, the criteria are prioritized according to their significance.

Table 12: The most relevant weaknesses

(Source: own processing, 2024)

Ranking	W(x)	Weaknesses	Weight (%)
1	W3	Social media dependency for promotion	27
1	W5	Commitment to sustainability	27
3	W6	Higher price	23
4	W2	Geographical restriction	13
5	W4	Sole artist dependence	7
6	W1	Cash payments only	3

The most significant weaknesses are *W3: Social media dependency for promotion* and *W5: Commitment to sustainability* with weight of 27%.

2.8.5.3 Pairwise comparison of opportunities

Table 13: Weights calculation – opportunities

(Source: own processing, 2024)

O(x)	Opportunities	01	02	03	04	05	O 6	O 7	Sum	Weight (%)
01	Growing tattoo market in Berlin	/	1	0,5	0,5	1	1	1	5	24
O2	Integration of digital payment options		/	0	0	0	0,5	0,5	1	5
О3	Collaboration and partnerships	0,5	1	/	0,5	1	1	1	5	24
O 4	Online presence enhancement	0,5	1	0,5	/	0,5	1	1	4	19
05	Market expansion with additional artists	0	1	0	0,5	/	1	1	3,5	17
O 6	Cost-effective operations with Czech/German suppliers	0	0,5	0		0	/	0,5	1,5	7
O 7	Potential regulatory alignment with eco-friendly practices	0	0,5	0	0	0	0,5	/	1	5
Total				·			·		21	100

From the total of identified seven opportunities, one has to be eliminated and the rest factors ranked as represented in following table.

Table 14: The most relevant opportunities

(Source: own processing, 2024)

Ranking	O(x)	Opportunities	Weight (%)
1	O1	Growing tattoo market in Berlin	24
1	O3	Collaboration and partnerships	24
3	O4	Online presence enhancement	19
4	O5	Market expansion with additional artists	17
5	O6	Cost-effective operations with Czech/German suppliers	7
6	O7	Potential regulatory alignment with eco-friendly practices	5

The most significant opportunities are O1: Growing tattoo market in Berlin and O3: Collaboration and partnership weighting 24%.

2.8.5.4 Pairwise comparison of threats

Table 15: Weights calculation – threats

(Source: own processing, 2024)

T(x)	Threats	T1	T2	Т3	T4	T5	Т6	Sum	Weight (%)
T1	Societal shifts in tattoo preferences	/	1	0,5	1	0,5	0	3	20
T2	Tax confusion for cross-border operations	0	/	0,5	1	0	0	1,5	10
Т3	False claims on environmental practices	0,5	0,5	/	1	0,5	0,5	3	20
T4	Price-sensitive customers	0	0	0	/	0,5	0	0,5	3
T5	Lack of customers	0,5	1	0,5	0,5	/	0,5	3	20
T6	Intense market competition	1	1	0,5	1	0,5	/	4	27
Total								15	100

It is unnecessary to reduce the quantity of threats further, as only six have already been identified. Consequently, the criteria are assigned relative importance-based priorities.

Table 16: The most relevant threats

(Source: own processing, 2024)

Ranking	T(x)	Threats	Weight (%)
1	Т6	Intense market competition	27
2	T1	Societal shifts in tattoo preferences	20
2	Т3	False claims on environmental practices	20
2	T5	Lack of customers	20
5	T2	Tax confusion for cross-border operations	10
6	T4	Price-sensitive customers	3

The most significant threat is T6: Intense market competition with the weight of 27%.

2.8.6 TOWS matrix

Following chapters discuss relationships between individual factors. These steps are called SO strategies, WO strategies, ST strategies, and WT strategies.

Each element is allocated a weight, and the total weight of all factors is equal to 1. The quantity of relationships, based on the factor's connections with other factors, is recorded in the cells categorized as 'relationships'. Next, the factor score is computed by multiplying the weights with the relationships. Ultimately, the ratings for each factor are aggregated. The tables below display the symbol "x", which represents a prevalent connection between two variables. The area that the selected firm should prioritize can be determined by identifying the combination of factors that yields the highest sum.

2.8.6.1 SO strategies

Following table displays the relationships between strengths and opportunities and calculate the total score which is then compared to the rest strategies.

Table 17: SO matrix (Source: own processing in accordance with Jakubíková, 2013)

Factors	01	03	O4	05	O 6	O 7	Relationship	Weight	Score
S1	X		X			X	3	0,16	0,48
S3			х		х		2	0,16	0,32
S2		X				X	2	0,11	0,22
S4	х	X		х	х		4	0,1	0,4
S7		X					1	0,1	0,1
S10			X				1	0,1	0,1
Relationship	2	3	3	1	2	2			
Weight	0,24	0,24	0,19	0,17	0,07	0,05		1	1,62
Score	0,48	0,72	0,57	0,17	0,14	0,1		2,18	3,8

Total score of SO strategies marked in red equals to 3,8.

The most relevant SO strategies:

- S101: Utilize unique skills to capitalize on the growing tattoo industry in Berlin
- **S2O3**: Strengthen the visibility on the internet by forming alliances and partnerships, using the dedication to sustainability
- **S4O5**: Use the strategic location to attract foreign artists and expand on the Czech market

2.8.6.2 WO strategies

Following table displays the relationships between weaknesses and opportunities and calculate the total score which is then compared to the rest strategies.

Table 18: WO matrix

(Source: own processing in accordance with Jakubíková, 2013)

Factors	01	03	04	05	O 6	O 7	Relation	Weight	Score
W3			X				1	0,27	0,27
W5						Х	1	0,27	0,27
W6	X				Х		2	0,23	0,46
W2	X	X		X			3	0,13	0,39
W4				X			1	0,07	0,07
W1		X					1	0,03	0,03
Relation	2	2	1	2	1	1			
Weight	0,24	0,24	0,19	0,17	0,07	0,05		1	1,49
Score	0,48	0,48	0,19	0,34	0,07	0,05		1,61	3,1

Total score of WO strategies marked in red equals to 3,1.

The most relevant WO strategies:

- W4O5: Reduce dependence on a single artist through proactive solicitation and recruitment of additional artists
- W5O4: Attract environmentally conscious consumers and introduce new ecofriendly practices on social media
- W6O4: Educate customers on social media about the added value of high-quality tattoos by exposing the studio's attitude, used material, artist's experience and additional services

2.8.6.3 ST strategies

Following table displays the relationships between strengths and threats and calculate the total score which is then compared to the rest strategies.

Table 19: ST matrix

(Source: own processing in accordance with Jakubíková, 2013)

Factors	Т6	T1	Т3	Т5	T2	T4	Relation	Weight	Score
S1	Х					Х	2	0,16	0,32
S3	Х					Х	2	0,16	0,32
S2			X				1	0,11	0,11
S4	X			X			2	0,1	0,2
S7		X				X	2	0,1	0,2
S10							0	0,1	0
Relation	3	1	1	1	0	3			
Weight	0,27	0,2	0,2	0,2	0,1	0,03		1	1,15
Score	0,81	0,2	0,2	0,2	0,1	0,9		1,5	2,65

Total score of ST strategies marked in red equals to 2,65.

The most relevant ST strategies:

• S1T6: Overcome fierce market rivalry by offering unique and innovative designs

2.8.6.4 WT strategies

Following table displays the relationships between weaknesses and threats and calculate the total score which is then compared to the rest strategies.

Table 20: WT matrix (Source: own processing in accordance with Jakubíková, 2013)

Factors	Т6	T1	Т3	Т5	T2	T4	Relation	Weight	Score
W3				Х			1	0,27	0,27
W5			Х				1	0,27	0,27
W6	Х			Х		Х	3	0,23	0,69
W2	X			X			2	0,13	0,26
W4		X				X	2	0,07	0,14
W1	X						1	0,03	0,03
Relation	3	1	1	3	0	2			
Weight	0,27	0,2	0,2	0,2	0,1	0,03		1	1,66
Score	0,81	0,2	0,2	0,2	0	0,06		1,87	3,53

Total score of WT strategies marked in red equals to 3,53.

The most relevant WT strategies:

- W4T4: Enlarge the team of artists by recruiting individuals with diverse backgrounds and experiences to satisfy price sensitive customers
- W6T4: Make pricing adjustments and create various options for price sensitive customers
- W3T5: Create a HoneyBee studio's website to overcome the dependency on social media and address wider customer segments

2.8.7 TOWS strategies assessment

Following table compares the total scores of SO strategies, WO strategies, ST strategies, and WT strategies and elects the most significant one.

Table 21: TOWS strategies assessment

(Source: own processing, 2024)

Strategies	Score
SO	3,8
WO	3,1
ST	2,65
WT	3,53

Matrices represented by Table 17 to Table 20 show that the combination of strengths and opportunities obtained the highest total score. Thus, the company should prioritize dedication to strengths which can enhance the potential opportunities.

In the third and final section, which is the proposing part, I mainly talk about the process of building the qualities – strengths that can boost the opportunities.

Table 22: Chosen strengths from TOWS matrix

(Source: own processing, 2024)

S(x)	Strengths	Weight (%)
S1	Unique specialization	16
S3	Quality service	16
S2	Commitment to sustainability	11
S4	Strategic location	10
S7	Personal connection with the artist	10
S10	Parking lot	10

Table 22 displays chosen strengths which the artist should build on.

Table 23: Chosen opportunities from TOWS matrix

(Source: own processing, 2024)

O(x)	Opportunities	Weight (%)
O1	Growing tattoo market in Berlin	24
O3	Collaboration and partnerships	24
O4	Online presence enhancement	19
O5	Market expansion with additional artists	17
O6	Cost-effective operations with Czech/German suppliers	7
O7	Potential regulatory alignment with eco-friendly practices	5

Table 23 displays chosen opportunities that the artist can enhance using her strengths.

3 PROPOSALS AND CONTRIBUTION

3.1 Key insights gained

According to the marketing study, clients often choose their tattoos based on the artistic style of the tattoo artist rather than the reputation of the tattoo shop. For instance, half of the participants in the structured interview said that they selected their tattoo based on the artist's unique artistic style. These findings indicate that clients are more likely to show interest in and interact with individual artists rather than the studio they work in.

Tattooing is a very intimate encounter for several customers, and they often establish a profound bond with the artist responsible for crafting their tattoo. By directing the attention towards the artist, this intimate connection can be used to cultivate loyalty and encourage repeat patronage.

The structured interview also emphasizes the significance of social media in the tattoo business and reveals that a substantial majority of participants are engaged on platforms such as Instagram and Facebook.

Facilitating the promotion of individual artist enables more adaptability and prospects for cultivating a brand. Artist has the liberty to collaborate with several studios or engage in independent work, so broadening their influence and enticing fresh clientele. By prioritizing the promotion of the artist's own brand, I may generate prospects for cooperation, collaborations, and sustained expansion within the industry.

In addition, from my personal point of view as I am the tattoo artist and owner of a tattoo shop, I see a higher value in expanding on my own as a solo tattoo artist mainly because I am new on the international market. Also, social media plays crucial role in the tattoo industry. Higher number of real followers means higher interaction with the customers which improves the tattoo artist's image and personal brand, expands the community, and increases the sales.

In summary, the marketing research gives enough proof that advertising the tattoo artist rather than the studio would be a better move. The tattoo market is quite competitive, but artists may stand out from the crowd by showcasing their own styles, social media followings, portfolios, and personal connections with clients.

3.2 Key customer segment

Customers segment I will target are not only women as for the Czech market but also men. My portfolio has changed over the time satisfying wider customer segment.

Customer segment based on my tattooing style

Floral and delicate motifs attract mostly women in the age between 25–45 years (Knechtová, 2022).

Geometry and micro realism attract mostly men in the age of 20–30 years.

Given the high expense associated with obtaining tattoos, it may be inferred that those who are interested in this activity often have a greater income and a preference for comfort and luxury. Nevertheless, based on my previous encounters, I have determined that those who want a tattoo are inclined to either save a substantial amount of money or seek financial assistance from their families in order to have a tattoo.

As a newcomer to the German market, I need to focus on consumers that are located in close proximity to Berlin.

The client category mostly depends on the author's own experiences and handwriting. Once I have developed my own unique tattooing style, I can then focus on attracting consumers from all around the globe. However, in relation to the present circumstances, it is necessary for me to travel in close proximity to clients in each place and gradually disseminate information about my style.

3.3 SMART goal

My business's new aim is to replicate the original plan by using HoneyBee studio for growth, but with the condition that the expansion would be limited to a physical person, not the studio as a whole.

The objective is to firstly enhance customer base on social media and beyond, and secondly to smoothly expand the artist's entrepreneurship to Germany by which it is generated more income by advertising the tattoo artist's own brand and competence for a duration of 12 months. This objective will be accomplished by using social media channels as a means to exhibit the artist's distinctive artistic approach, actively interacting

with prospective consumers via tailored content, and establishing partnerships with external tattoo establishments within the tattoo business to broaden reach.

The goal will be measured by the income earned and assessment of whether it is profitable.

3.4 Marketing mix proposal

Table 24: Marketing mix proposal (Source: own processing, 2024)

Proposals	Product	Price	Place	Promotion	People	Processes	Physical evidence
Overall strategy transformation	X	X	X	X	X	X	X
Pricing strategy		X					
Consultations		x				x	
Hosting in Berlin			X	X	X		
Website adjustment		X		X			X
Social media				X		X	
Content marketing				X	X	X	
Self-improvement	X					X	
Contests participation			X	X		X	
Equipment renewal							X
Paper presentation							X

3.4.1 Product

Customers often choose a tattoo studio primarily based on the artistic style of the tattoo artist (50%), followed by the studio's visual aesthetics and designs (27%), its location (13%), or referrals from friends and family (11%). This implies that the reputation and artistic approach of the tattoo artist have a substantial impact on gaining clientele.

The product and service are suggested to be offered by me, the artist herself, instead of HoneyBee studio. My name is and will be always connected to HoneyBee however as a secondary information. Once I have been exposed to the worldwide market and have gained expertise in tattooing abroad, I can emphasize the studio's potential for collaborating with foreign artists.



Picture 15: Natalie's logo (Source: Project owner's archive)

Approximately 30% of consumers are repeat clients, which suggests that they are satisfied with their past tattoo experiences or current projects. In order to enhance the quality of my services and cultivate a loyal customer base, it is essential to enhance the supplementary services I provide. For instance, including an aftercare kit with a personal logo on in not HoneyBee's as this service starts to be Natalie's only.



Picture 16: Aftercare kit (Source: Instagram of HoneyBee studio, 2023)

Self-improvement

Consumers value the ability to identify the specific tattooing style that an artist specializes in, while artists utilize this as a means to attract like-minded consumers. Therefore, it is essential for the artist to generate preliminary drawings, designs, and concepts of tattoos that she intends to tattoo. The designs should be shown on certain body areas to allow clients to visualize their appearance. In order to improve, the artist must engage in regular practice by creating and sharing a greater number of free designs.

Additionally, as the product is marketed via online presentations, it is essential to have high-quality visuals of completed tattoos. The artist should enhance her skills in photography and social media management, as elaborated in the subsequent chapters.

3.4.2 Place

Hosting in Berlin

The marketing analysis indicated that Noia and Noqta tattoo studios are the most appropriate for collaboration. Hereby I discuss which of the studios is the best one in terms of material used, price of a seat rental and overall appearance. In order to get the lower rental rates, Noia studio necessitates a minimum hosting duration of more than 7 days, while Noqta demands a minimum of 10 days. Furthermore, artists in Noia studio use only biodegradable whereas Noqta use them mostly.

I suggest starting the collaboration with Noia tattoo studio which meets all my requirements and visions.

Nevertheless, the choice of studio does not affect the formulation of the marketing plan, and the tattoo artist may freely go to any studio throughout the year without any restrictions.



Picture 17: Noia studio (Source: Noia studio's website, 2024)

3.4.3 Price

Pricing strategy must be adjusted in accordance with tattoo prices in Germany. Following table summarizes prices in Brno and Germany and compares the differences between the nations and customer's and service provider's perspective. The currency conversions are calculated with respect to the current exchange rate (Kurzy.cz, 2024)

Table 25: Pricing comparison (Source: own processing, in accordance with responds from marketing research, 2023)

Optimal price	Min (EUR)	Max (EUR)	Min (CZK)	Max (CZK)
Czech provider (Brno)	119	218	3.000	5.500
German customer (Berlin)	250	392	6.318	9.906
German provider (Berlin)	265	515	6.697	13.014

Tattoo services in Berlin are 2,2 times to 2,4 times higher than in Brno. The pricing needs to be adjusted based on these findings, so the customers would not doubt the quality of the tattoo and ensuring the business is profitable.

Since I will be new on the international market, I start with lower tattooing price in the beginning and multiply my current pricing list 2,2 times.

Table 26: New pricing list (German market)

(Source: own processing, 2024)

Complexity of the tattoo	Size (cm)	Duration (hours)	Price (EUR)
Tiny	miniature	1 – 1,5	130 – 174
Small	5 – 15	1,5 – 3,5	174 – 392
Medium	15 – 25	3,5 – 5,5	392 – 653
Large	> 25	> 5,5	> 653

Deposit

Consultations are free of charge the same way as in Brno. However, during consultations deposit is being set at a rate of 80 EUR. Half of the price (40 EUR) covers design creation and is added to the final price of the tattoo and the other half (40 EUR) is a deposit in case of late cancellation. The deposit is deducted from the price of tattoo in case the client come on the tattoo session.

3.4.4 Promotion

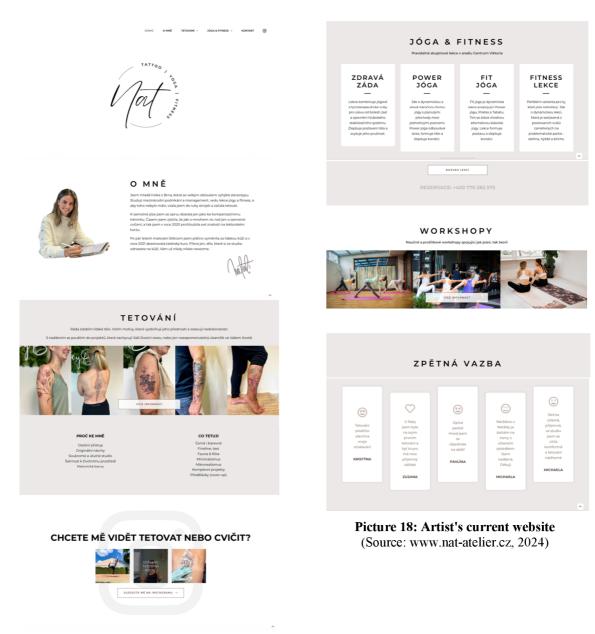
Website adjustment

I as an artist and also yoga instructor have a website in Czech language however for expansion into Germany, it is crucial to transform the website also into English. There is no need to create a new website only for German market since Germany is not the only destination for the artist in the future.

It is necessary to evaluate the merits and drawbacks of having a single website for tattooing and yoga & fitness. In the Czech Republic, it has been shown that combining these two services under a single brand is beneficial. Nevertheless, if the website maintains the same material in Germany, it might be advantageous to contemplate providing yoga and fitness services in that country as well.

The website is self-created in WordPress; hence it lacks professionalism and SEO optimization. It is important to consult an expert and get assistance with website modifications. Promotional video of me doing tattooing and yoga, which is determined to fill the home page in, is currently in the process of making.

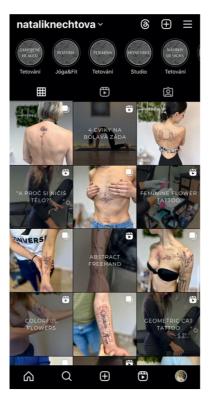
In addition, I feel the clients would value a more convenient method of contacting the artist rather than having to seek for her on social media. I propose the creation of an online form that includes prefilled fields for consumers to schedule appointments for either a tattoo session or a consultation.



There is a capturing photo or a video on the top of the website missing. It is necessary to impress the visitors right in the beginning by the product or service I am offering. The best option I suggest is hiring a photographer whose portfolio is in compliance with mine and who is able to capture the interconnection between tattooing and yoga.

Social media

In Czechia, my primary method of acquiring customers is via Instagram, followed by my website. Hence, the Instagram account must possess an aesthetically pleasing appearance and include all the essential information that consumers find intriguing. As seen in the previous chapter, the color scheme of the website is mostly light, consisting mainly of white and beige colors.



Picture 19: Project owner's current Instagram feed (Source: Instagram of nataliknechtova, 2024)

On the contrary, the Instagram feed is characterized by combination of deep and vibrant colors. Using a variety of color schemes online may seem unprofessional since it becomes difficult to identify the brand's own colors. I propose harmonizing the colors by opting for more muted shades, in line with the existing website design.



Picture 20: Inspiration for Instagram feed 1 (Source: Instagram of ninapost.ink, 2024)



Picture 21: Inspirational Instagram feed 2 (Source: Instagram of tritoan_7th, 2024)



Picture 22: Inspirational Instagram feed 3 (Source: Instagram of nica.zky, 2024)

For those customers who prefer to buy services through an Instagram platform, automated messages should be implemented. While the customer is thinking about what to write to the artist, Instagram should automatically give the client few options which guide them through the booking process. Additionally, since the number of clients is rising and the artist's time for responding all booking requests is limited, an automate message should be send by Instagram with following steps of the booking. This strategy increases the loyalty and ensures the customer that his request is being processed.

The artist is only active on Instagram, without engaging on any other social media network. I suggest creating either a Facebook or TikTok account in order to reach a broader audience.

Last but not least, language barrier should be considered on social media. The account should be transformed into multilingual one, using Czech and English language, since almost all of my customers are Czech so far.

Content marketing

The goal of content marketing is to build and maintain relationships with target audiences via the creation and distribution of high-quality, regularly updated material in order to encourage them to take action that will provide a financial return (Contentmarketinginstitute.com, 2024).

The artist is trying to create valuable content since August 2023. There is an order in Instagram feed at the first sight where artist alternate photos and videos in posting. However, the quality of the content should be more systematic in terms of content of the posts. From the perspective on a customer, sometimes it feels like the artist publishes a photo only to publish it without a deeper message or audience involvement.

Before a posting blank content, the publisher should firstly create a systematic strategy as Grow with Alex, 2024 recommends in following steps (Grow with Alex, 2024)

- 1. **Train the account** the very first step of growing on Instagram is to train it first. When clicking on an *explore* button, posts which the user is interested in, pop up. In order to get inspiration or search for a trending audio, the user should like and save those posts which are closely connected with the area of business. Most important is, limit any other posts that are not related to our business.
- 2. **Trending audio** in posts the user has to use trending audios which can be found in the *reels* section. Crucial thing is not to edit the videos to the audio but edit the video in a different app and upload the already edited video to the trending audio on Instagram.
- 3. **Polls** a very new feature of Instagram helping the user with customer engagement. The user can ask simple yes/no questions in the post description encouraging the customers to interact.
- 4. **Captions** Instagram's goal is the people staying on the users posts as long as possible. By creating a meaningful and engaging caption together with well-chosen keywords, Instagram users will stay longer on the business owner's post resulting in rise of the total watch time and growing the account.
- 5. **Effects** using trending effects on Instagram videos works similarly to trending audios. However, the business owner does not want to change the visual of the post drastically, so use of for instance 4k effects are good enough.

- 6. **Hashtags** hashtags are boosted keywords helping Instagram algorithm understand who the published content is meant for.
- 7. **Pinning** pinning own comments in trending post of the business owner boosts the post even more. Furthermore, pinning a viral post after 1 month of publishing reminds the algorithm about that post.
- 8. **BIO** this section has to be used wisely. It is there to capture the potential client however without the intention to sell. There should be written a simple *description* of the account; *value* the customer would get after following it and lastly, *community focus*, meaning customer invitation to join the family.
- 9. **Hidden keywords** these keywords help the algorithm with to whom it is intended. The creator adds keywords right into the *reel* as a text box and makes it as small as possible, so it is hidden at the end.

All of the mentioned steps should be implemented for Instagram growth.

Pricing list

The price information for my tattoo services is readily accessible on both my website and social media. Nevertheless, it is essential to use a novel approach due to the varying prices across different countries. One potential solution is the implementation of a price list that is concealed from public view and would be sent to individual customers at their request. The price list is modified based on the geographical location of the tattoo shop where the tattoo will be performed.

An alternative approach would include making both price lists publicly accessible and categorizing them according to the geographical area of the tattoo shop.

The choice of what strategy to use is upon a deeper discussion with experts who already have the experience.

Contests

The most known tattoo fair is the Tattoo convention Berlin edition taking place in the beginning of September every year. In 2024 the contest runs its 32nd edition and its one of most visited convention in Berlin.

There are two stands for the artist to choose from. The first is a 2x2m for a single artis. The rental package includes 2x1m exhibition wall, an artist pass, a helper pass, a

worktable, a front desk, two chairs, and a headlight. The second option is 4x2m stand intended for two artists. The package includes 2 artist passes, 1 assistance pass, 1 worktable, 2 front desks, 4 chairs, and 2 headlights (TattooConventionBerlin, 2024).

Table 27: Tattoo convention costs

(Source: Tattoo Convention Berlin, 2024)

Description	Price [EUR]
Single artist stand	600
Double artist stand	1.300
Marketing package per 1 artist	250

Participation in such a competition is not a prerequisite for market entry into a foreign country. Nevertheless, it has the potential to expand the client base.

It is important to remember that to the price of the stand I have to add expenses for travelling tickets and accommodation in Berlin for the 3 days of the contest. Since the price is getting higher, I do not consider joining such contest in the near future.

3.4.5 People

Currently, the team is understaffed with just one individual responsible for managing all operations. This situation is becoming more burdensome, leading to a decline in the quality of marketing activities.

Tattooing itself cannot be outsourced as it is the product of mine however the presentation of it could be. I must learn how to take quality and good-looking photos of done tattoos and social media and Instagram feed especially should be handled by a special assistant. The recruiting process can be handled in Brno through social media and relatives' recommendations. Job description is following:

- Editing photos for Instagram content
- Inventing photo descriptions encouraging followers to interact (likes, comments, sharing, etc.)
- Assistance with post ideas, so the artist knows what to capture instead of only tattoos
- Proficiency in story telling (for Instagram reels)

Proficiency in Czech and English language

I am facing difficulties with the aesthetic presentation of social media content, as well as the lack of originality in the comments accompanying each post. As a result, I discourage prospective clients from engaging and the posts do not get a wider audience.

Customer interaction is crucial for increasing reach on Instagram and it is on the content creator to understand the algorithm and act accordingly. By expanding the team with a social media specialist, I can target much wider customer segment and increase the demand for tattoos.

Hosting in Berlin

Due to hosting in Berlin's tattoo shop/s, again, more people would be involved in my brand's team indirectly. These are the tattoo studio itself, which promotes my brand online on their social media and website as well as offline on posters or promoting TVs in the studio.

There is a high opportunity in getting in touch with already well-known artists in Berlin's tattoo shops as they can promote me as well. This can be done professionally or personally. First of all, through a cooperation on a particular tattoo piece which requires more than one artist's style and secondly through personal life.

3.4.6 Processes

The tattooing procedure remains same throughout Berlin and Brno, with minor variations. I, the artist must engage in thorough preparation before to entering a completely unfamiliar setting. I must acquaint myself with the workplace in order to remain composed and resolve any challenges that may arise.

There is a significant disparity in the adjustments made during the post tattooing process. The HoneyBee studio offers complimentary corrections, with the exception of troublesome body regions like knees, hands, fingers, wrists, feet, and elbows. Corrections are implemented after a one-month period of healing. Nevertheless, at that period, I will already be returning to Brno, so rendering any potential adjustment for the customer unfeasible. This necessitates much practice in order to minimize any faults and only provide tattooing techniques that I am confident with.

Consultations

Consultations take place usually around one month before tattooing session online through e-mailing and Facebook, and Instagram platform. I prefer this form of consultations since clients can describe their vision in a message and sent reference photos of tattoos they like.

Since the whole strategy has changed, the only difference is that the communication will not be held with HoneyBee studio account, but it would refer to my personal business account where the clients can contact me.

In Brno, clients can have a personal meeting in the studio when required. However, due to my journey from the Czech Republic, in-person consultations will not be feasible since I only visit Germany for tattoo sessions. I am aware, based on my previous experiences, that some clients prefer face to face consultations. That is the reason for creating online meetings through Microsoft Teams or Zoom platform when needed. Otherwise, the communication stays online through messages and e-mails.

3.4.7 Physical evidence

Equipment renewal

All the equipment I have for the tattooing process itself is sufficient so far. Nevertheless, I see a high drawback in additional equipment helping me in creating high quality promotional content. Digital presentation is the most important tool for selling my product. All photos I publish online are captured on a mobile phone which is starting to be insufficient. There are two options:

- 1. Improve the technology artist already has
 - Mobile CPL filter for eliminating reflections
 - Tripod
 - 4k lens enabling taking close-up photos
- 2. Invest into new high-quality technology
 - DSLR camera
 - CPL filter

In both scenarios, it is necessary to acquire photographic canvas that allows for the creation of bright backgrounds, resulting in photographs of the same style for presentation purposes.

3.5 Timeline

The whole process of expansion would take 12 months. The best time for hosting in Berlin is the time before summer months. I have chosen March as the most suitable month for the expansion itself, and I needed to adjust the timeline of the activities according to it.

Time when to start the whole process corresponds with April the previous year. This means I will start transforming the overall strategy by the year 2025 so I am prepared for hosting in March 2026.

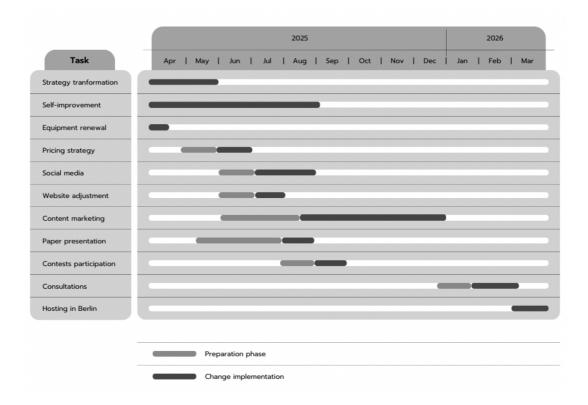


Figure 18: Change implementation timeline

(Source: own processing, 2024)

Following the completion of each work, a period of adjustment is allocated, often ranging from one to two months. After that period, the success of each task is evaluated based on the adjustment period where the change is already an ongoing process.

The activities are arranged in a sequential manner, facilitating the visualization of the expansion process. The majority of tasks mostly include preparations for hosting itself. The rationale for this is that with a well-made preparation the actual expansion is much easier, and the artist is prepared to offer her services the same way as in the Czech Republic.

Most demanding activity will be self-improving process as I need to focus more on my skills rather than tattooing clients. The second challenging undertaking is creating quality content on social media. I will collaborate with the assistant of mine whose recruitment will be done during the *Social media preparation phase*, however I have to participate in the creation itself which again reduces the time for working ang tattooing the clients.

Since I have decided not to join any contest in the near future because of the costs, it is only an illustration of where it might be it situated in the timeline if I changed my mind.

3.6 Implementation costs & income from hosting

The implementation costs are calculated for 12 months if not stated otherwise.

Table 28: Implementation costs

(Source: own processing in accordance with conducted research; Expert-dev; Hostinger tutorials; CopyGeneral; RegioJet; Airbnb; Domestika; Megapixel; Film-Technika; Datart, 2024)

Proposal	Description	Price (CZK)	Total (CZK)	
Hosting in Berlin	Seat rent (7 days)	24.751	45.726	
Бепп	Consumables (7 days)	2.475		
	Accommodation (8 days)	16.000		
	Transportation	2.500		
Website	Expert consultation	5.000	7.068	
adjustment	Booking form	2.068		
Social media	Paid advertisement (30 days)	10.200	10.200	
Content	Assistance	60.000	65.000	
marketing	Promotional video	5.000		
Self-	Drawing training	1.000	4.000	
improvement	Amateur photography course	3.000		
Equipment renewal	Improvement of current equipment	1000, 790, 1290	3.080	
	Investment into new equipment	18990, 790, 1289	21.069	
	Photographic canvas	1.090	1.090	
Paper presentation	Portfolio	700	700	
Total	Improvement of current equipment		136.864	
	Investment into new equipment		154.853	

The initial investment is higher than establishment of HoneyBee studio itself (Knechtová, 2022) however all these tasks are needed to be done in order to improving the brand

appearance as the inside processes. Hosting in Berlin itself will no longer require such costs.

In the beginning, I believe improving current equipment I already have is sufficient and investing into new one is planned for the future years when the technology advances.

The following tables illustrate the revenue generated from hosting services at Noia Studio in Berlin. There are two viewpoints to consider: the optimistic perspective, which posits that the artist's schedule is completely occupied, and the pessimistic perspective, which suggests that the timetable is occupied for three quarters.

It is crucial to acknowledge that maintaining a full schedule is not viable in the long run, although it can be effectively handled on a one-time basis. The second viewpoint, in which the calendar is not fully occupied, is an ideal scenario in Brno. This design is sustainable, and the artist is not fatigued.

Moreover, the optimistic scenario might seem like an absolute dream however after such busy program, the artist needs few days off for proper recovery.

Table 29: Income from hosting in Berlin (optimistic perspective) (Source: own processing, 2024)

Project description	Number of projects	Price for 1 project (EUR)	Total price (EUR)	Revenue (CZK)
Tiny	2	130–174	260–348	6.567–8.782
Small	3	174–392	522-1.176	13.184–29.701
Medium	3	392–653	1.176–1.959	29.701–49.478
Large	4	>653	>2.612	>65.970
Total	12		4.570–6.095	115.422–153.931

Table 30: Income from hosting in Berlin (pessimistic perspective)

(Source: own processing, 2024)

Project description	Number of projects	Price for 1 project (EUR)	Total price (EUR)	Revenue (CZK)
Tiny	2	130–174	260–348	6.567–8.782
Small	3	174–392	522-1.176	13.184–29.701
Medium	2	392–653	784–1.306	19.801–32.985
Large	2	>653	>1.306	>32.985
Total	9		2.872-4.136	72.537–104.453

To calculate whether the expansion into Berlin is profitable I need to take into consideration how much would it cost to travel to Berlin and to host there for 7 days and how much I am able to earn from the hosting.

Hosting in Berlin would cost 46.000 for 7 days + 1 days for traveling. An optimistic scenario where I count as my timetable is completely full generates 115.422 – 153.931 CZK whereas a pessimistic perspective generates 72.537 – 104.453 CZK.

First of all, it is important to mention that fee for consumables which is paid to the studio does not cover tattoo inks and additional products such as: after tattoo disinfection called tattoo finish, healing foil, soothing balm, a numbing cream, or aftercare kit. These products are extra for the clients, and it is on the artists whether they want to offer such services or not.

Since I offer luxurious services in Brno, I would like to continue this pattern and offer those in Berlin as well, even at own expenses. From my experience I assume that costs for such a service with additional products would be up to 4.000 CZK.

Table 31: Profitability of expansion and hosting

(Source: own processing, 2024)

Description	CZK
Initial investment	136.864
Costs hosting only	50.000
Other processes	86.864
Revenue from hosting (optimistic)	115.422 – 153.931
Revenue from hosting (pessimistic)	72.537 – 104.453
EBIT first expansion (optimistic) median	-21.442 - (-17.067) -19.245
EBIT hosting only (optimistic) [initial investment is not included] median	65.422 – 103.931 84.677
EBIT first expansion (pessimistic) median	-64.327 - (-32.411) -48.369
EBIT hosting only (pessimistic) [initial investment is not included]	22.537 – 54.453
median	38.495

Table above compares the values between optimistic and pessimistic perspective and shows the earnings after the international cooperation.

Since the numbers are only a range estimation, it is needed to calculate value which will be as close to real number as possible. I used median, which is the golden mean helping me to visualize the actual state of the expansion.

As we can see, the initial investment for penetrating foreign market is not possible to cover by only one artist hosting in Berlin. In the optimistic scenario it is needed to host twice for the same duration to cover all the expenses for the initial investment and to earn profit. Contrarily the pessimistic scenario reflects that it is required to host three times to cover the initial expenses and to earn profit.

3.7 Risk evaluation

There are eight risks identified in the expansion of a Czech tattoo artist to the German market.

Financial risks

The very first one is the one every business and entrepreneurs have to keep in mind which is whether the expansion is profitable. It was discovered that in the optimistic scenario the artist has to host in Berlin twice to cover all the expenses connected with the expansion. However, in the pessimistic scenario, the hosting has to be done three times to cover the expenses. This means, the artist must have savings or a certain budget so her business would not bankrupt. After reaching the break-even point however, hosting in Berlin solely becomes significantly profitable for the artist.

Competitive risks

Entering a German market may enhance the artist's skills and widen the customer base. However, since Germany is a country organizing the biggest tattoo conventions, forming a base for the top tattoo equipment producers and is a home of the most tattooed population, the competition there is importantly high. It is up to the artist to differentiate herself from the competition or it will influence her pricing power and profitability.

Social risks

Any time a firm decides to enter a foreign market it faces challenges such as language barriers, customer preferences or cultural differences. All of these may affect brand perception. As English language is used almost everywhere in the big cities, it makes it easier for the firms in terms of communication and problem solving.

Currency and exchange rates

Since the currency in Germany differs to the one in the Czech Republic, it is necessary to take into consideration exchange rate fluctuations, which may have an effect on the company's revenues, expenses, and financial results in international markets. This means the overall profitability is impacted by the fluctuations.

Market entry barriers

Every foreign market entry has its challenges in terms of import or export restrictions. As Germany and the Czech Republic are part of the European Union it enables the entrepreneurs operate within without any difficulties.

Legal risks

Earning income by operating in Germany and coming back to Czechia has to be controlled by The Treaty for the Avoidance of Double Taxation. There are no big challenges in these terms.

Reputation risks

Closely connected to the competitive risks, reputation risks may occur when the customers prefer the competition over the Czech artist. The reasons may be cultural misunderstandings or concerns about ethics.

Consumer trust or loyalty may be affected by the artist communicating with the audience on social media in two languages, Czech and English. Such a communication is no longer personal causing damage to the brand highlighting personal approach.

Operational risks

In terms of operating in a foreign market, there may occur challenges such as transporting equipment or material, dependence on solely the technology in the foreign tattoo shop, etc. Since the artist wants to maintain the quality of her services and offer also tattoo aftercare sets to her clients, the transportation of not only these products can cause difficulties. The artist may have lower amount of materials or products necessary for tattooing process or on the other hand too much unnecessary which can be potentially damaged during the transportation.

3.7.1 Risk evaluation assessment

Following table summarizes all identified risks and based on their importance and probability of occurring, they are evaluated. There is a scale 1-10 used, where value 1 stands for the least important or probable and 10 represents the highest importance or probability. The final evaluation is calculated as an average of these two values.

The higher the evaluating value the more attention and emphasis is needed to be put in eliminating the certain risk.

Table 32: Risk evaluation (Source: own processing, 2024)

Risk description	Importance	Probability	Evaluation
Financial risks	10	6	8
Competitive risks	8	9	8,5
Currency and exchange rates	6	6	6
Market entry barriers	4	4	4
Legal risks	5	5	5
Reputation risks	7	6	6,5
Operational risks	7	7	7

Higher values than 5 are considered as significant risks which have to be handled preferably. These are financial and competitive risks especially, then operational risks and lastly currency and exchange risks together with reputation risks.

3.8 Benefits of expansion

Expanding out the domestic market brings new opportunities for the entrepreneurs. First of all, it opens the doors limiting the company in growing big and mitigates the dependence on a single market.

From my perspective there are two main areas bringing benefits from the expansion, financial and non-financial.

By virtue of the higher quality of living and working conditions compared to the Czech Republic, conducting business in this market presents an opportunity for enhanced sales and revenue. Moreover, this action broadens the clientele of the company beyond national borders. Given Germany's status as a major producer of tattoo equipment, the expansion could potentially grant the company access to technologies that are not easily obtainable within the domestic country.

The second, non-financial advantage of expansion is that it may strengthen the company's competitive position by enhancing its brand reputation and visibility internationally. Due to the fact that tattooing services rely on the expertise and skill set of the artist, operating in a variety of markets may facilitate the artist's skill development and knowledge expansion, thereby exposing the company to novel concepts and innovations. Moreover, by establishing alliances with tattoo parlors in Berlin, HoneyBee Studio can gain a competitive edge by catering to a broader spectrum of tattoo artists and a more extensive clientele.

3.9 Lessons learnt

Creating a marketing strategy is definitely not a quick paperwork with solely one output. This diploma thesis started with one concept of HoneyBee studio entering a foreign market, spreading brand awareness and to potentially enlarge the studio's team by international cooperation. However, in the end the concept absolutely changed based on the research outcome. As the research revealed totally opposite results than expected, the strategy needed to be adjusted operatively changing the whole concept of the marketing plan.

I have learnt that it is normal that the aims change in the course of creating not only a marketing strategy but any paper or a plan helping a business to grow.

As a beginning entrepreneur I insist on being perfect and to run the business perfectly. But this diploma thesis has taught me that mistakes does not mean failure. And that by making these mistaking a person can grow and be a better self.

CONCLUSION

This diploma thesis was dealing with problematics of creating an appropriate marketing strategy for a smooth foreign market entry. Selected target market was Germany, Berlin, where I would host as a tattoo artist. The initial intention was to expand with HoneyBee studio to attract potential foreign clients or tattoo artists to Brno.

There are three main parts the thesis is divided in, theoretical, analytical, and proposing.

First of all, I determined theoretical foundations needed for following parts of this paper. The primary focus of this section is to define the internal and external market environment and the approaches used in establishing a foundation for the subsequent analytical portion.

In the second, analytical part it was crucial to get to know HoneyBee studio's principles first, so the entrepreneur clearly knows what values she has for the foreign market entry. Subsequently, starting with secondary research first, I could analyze the German environment by conducting SLEPTE analysis together with Porter's five forces. The game changed after I finalized the primary research where I conducted both, email and outsourced interviews. After their assessment, I have to a decision that HoneyBee studio needed to be set aside as it is not the most important aspect of the business.

Essentially, the researches revealed that customers are interested in the artist herself over the tattoo studio she operates in. This primary research was the driver of changing the whole concept of the diploma thesis and create a marketing strategy not for the tattoo shop as whole but for a single tattoo artist.

All the researches were summarized in SWOT analysis which provided essential output of using strengths to the artist's advantage, showing ways of eliminating weaknesses, displaying opportunities which needs to be taken, and highlighting threads which can occur.

In the last part which is proposing the marketing strategy for the foreign market entry, a new concept was introduced. There was absolutely new marketing mix established discussing solely the tattoo artist. All proposed marketing activities enhancing the entrepreneur's business are enumerated in timeline which are set to the years 2025 and

2026. Finally, simple financial calculations were made to check whether this plan is financially feasible and lastly risks connected with foreign market entry were defined.

The whole diploma thesis is supported in chapter benefits of expansion where all the motives are determined.

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List of Abbreviations

BIO – Biography

CPL – Circular Polarizer Filter

CZK – Czech koruna

DSLR – Digital Single Lens Reflex

e.g. – example given

etc. – etcetera

EUR – Euro

SEO – Search Engine Optimization

TV-television

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Appendices

Appendix 1: Outsourced interview questions

(Source: own processing, 2023)

- 1. What kind of a tattoo are you here for? (e.g., Solid black work, Fine linework, Colorful, Abstract, Ornament, etc.)
- 2. Do you seek a particular tattoo artist or a tattoo shop for your tattoo idea?
- 3. Do you follow your tattoo artist or the tattoo shop on social media?
- 4. Are you interested in the portfolio of the artist/studio or anything else? (e.g., Educative videos, Artist's appearance, Additional products or service)
- 5. Based on what aspects did you choose this tattoo shop? (e.g., Tattoo shop appearance, Tattoo artist's tattooing style/appearance, Quality/price ratio of the artist/studio, Time/location availability, Approach of the studio (eco, vegan, etc.)
- 6. If your tattoo artist moved to a different tattoo shop, are you willing to travel to get a tattoo done by him/her?
 - a. Willing to travel around 1 hour
 - b. Willing to travel around 3 hours
 - c. Willing to travel anywhere within the country
 - d. Willing to travel to neighboring countries
 - e. Willing to travel anywhere in Europe
- 7. Where did you travel from to get your tattoo done?
- 8. Is the price of a tattoo influencing your choice of an artist or a studio?
 - a. High price is a no go
 - b. Price is not important at all
 - c. Price is important but not stopping me from getting a tattoo
 - d. Other
- 9. Are you using the services of this studio for the first time or are you a returning client?
- 10. Do you consider additional service except tattooing itself as important?
 - a. Eg.: offer of refreshments, behavior of the staff, aftercare products, etc.