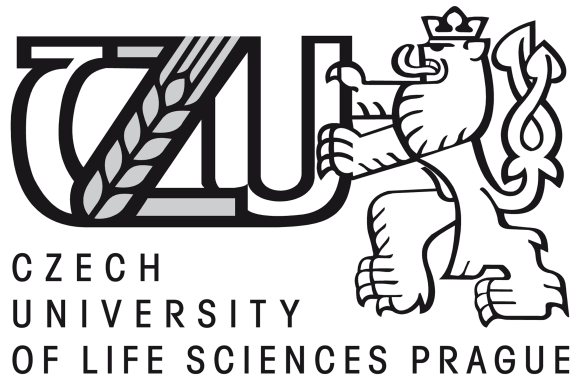


Czech University of Life Sciences Prague

Faculty of Economics and Management

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Abstract of Diploma Thesis

**Project Management of Marketing Communications
Events with the Use of Econometric and Decision-Making
Techniques**

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Summary

The diploma thesis fills in the knowledge gap between the project management of marketing communications events at ŠKODA AUTO a.s., and the simultaneous use of econometric as well as decision-making techniques when preparing events. The theoretical part is compiled of findings on project management, event management, and econometric as well as decision-making techniques, followed by the empirical part consisting of an overview of ŠKODA AUTO a.s. with the focus on Marketing Communications department. The own work comprises of the project management identification which is based on the outputs from quantitative and qualitative research. The results of the research are further applied within the demonstration of the practical usage of econometric and decision-making techniques on the examples of events tailored for ŠKODA AUTO a.s. company.

Objectives

The main aim of the diploma thesis is to bring innovations into the project management of events within the Marketing Communications department at ŠKODA AUTO a.s. by bridging the gap between the project management of events, and econometric as well as decision-making techniques.

To fulfill the main objective, it was necessary to set sub-goals consisting in:

- ✓ classifying theoretical knowledge about project management of events as well as econometric and decision-making techniques,
- ✓ providing a concise overview of the Marketing Communications department at ŠKODA AUTO a.s. and of the company as a whole,
- ✓ identifying the project management of events within the Marketing Communications department and in case of finding shortcomings providing a solution leading to their elimination,
- ✓ demonstrating econometric and decision-making techniques on the examples tailored for ŠKODA AUTO a.s. and explaining the benefits of given techniques for the practical usage,
- ✓ providing project managers of marketing communications events at ŠKODA AUTO a.s. with the sufficient theoretical as well as practical knowledge of applying econometric and decision-making techniques, such as modeling, simulation and forecasting.

Methodology

The work consists of two parts - theoretical and practical.

The theoretical part is based on the study of secondary sources, namely studying the scientific literature, corresponding Czech and foreign journals as well as relevant Internet sources.

The empirical part is compiled on the basis of outputs from quantitative/qualitative research. The analysis of a current situation regarding the project management of marketing

communications events was based on the internal information gained at ŠKODA AUTO a.s. (internal documents, participating observation, interviews).

As a quantitative method of data collection, the questionnaire survey of Czech as well as international students was conducted. As part of qualitative methods, the participating observation within ŠKODA AUTO a.s. company, and two standardized interviews, the first one with the project manager of the Marketing Communications department at ŠKODA AUTO a.s., and the other with the managing director of Volkswagen Group Import Company Ltd. China., were used.

Standardized interviews were carried out electronically via e-mail. Interviews, composed of semi-closed questions, served as a background material for comparing the styles of the project management of events within two multinational corporations and thus enabled a global view of the issue being addressed. Along with participating observation the standardized interviews contributed to a more objective way of assessing (and the identification of) the project management of marketing communications events at ŠKODA AUTO a.s.

The questionnaire was designed in Qualtrics research software and distributed among both Czech and international students via social network, namely Facebook social networking service. The questionnaire was in English and consisted of both closed and open questions.

Firstly, the questionnaire was sent to the pilot group consisting of 3 students to identify possible omissions. Subsequently, the questionnaire was distributed to the target group of Czech and international students. The questionnaire was distributed within the period of 25 – 29 January 2016 and the total number of 142 questionnaires was distributed, 24 (16.9 %) of them were started, but not completed, therefore not applicable for further research. The total number of completed questionnaires was 118, thus, the questionnaire return rate was 83.1 %.

The innovative use of modeling, simulation and forecasting within the project management of marketing communications events at ŠKODA AUTO a.s. was demonstrated using Microsoft Excel, its add-in Solver and the statistical software XLSTAT.

According to the answers from the questionnaire, the modeling of an event was conducted. Afterwards, the different scenarios of the event were simulated and the possible profit for ŠKODA AUTO company was calculated.

The practical demonstration of the forecasting technique was based on the data concerning Geneva International Motor Show with the use of Holt' exponential smoothing method and One-sample runs test.

Evaluation of Results and Recommendations

On the basis of the interview with Marketing Communications project manager, the findings show that there is always only one project manager who cooperates with several colleagues (5 or 6) and with specialist departments such as Information Technologies

department, Public Relations department, Production department, Design department etc. Marketing Communications department does not use the hierarchical structure of activities, sub-activities and tasks, i.e. does not use the Work Breakdown Structure, but uses the services of external event agencies for the project management of events. The agencies prepare the whole Logical Framework of the project including intention, objectives, outputs and activities. The department does not set up their goals according to the SMART technique (i.e. that goals should be Specific, Measurable, Achievable, Realistic and Time-bound) either.

Based on the expression of the project manager, they utilize neither Gantt charts, nor network diagrams such as Program Evaluation and Review Technique, Critical Path Method or Arrow Diagrams Method.

The external agency prepares the Communication Plan of the project that answers important questions for the implementation of the project such as What does the company want to realize? Why? Where? For how much? When? Who will realize it? etc. Marketing Communications department does not do any Risk analysis and any Risk identification and do not use any of the following methods such as Delphi Method, Brainstorming, Crawford Slips, Root Cause Identification, SWOT analysis, Individual discussions with specialists, Lessons from historical projects etc., they do not hire any agencies for these methods. They do not use Detailed Risk Register either.

Marketing Communications department continuously controls the implementation of the project and they finally evaluate the project together with the hired agency, press department and importer. Conclusions and recommendations from the so called debrief are used for the improvement of future exhibitions.

The final question concerned the use of any econometric or decision-making techniques utilizing computers, such as modeling, simulation or forecasting, when preparing events. From the interview it follows that Marketing Communications department does not use any of these above mentioned techniques.

The second interview was carried out with the managing director of Volkswagen Group Import Company Ltd. China. They do a lot of events and projects, however, in their area, they do not prepare and realize any projects that require the typical project tools. When they have projects, they normally know them quite well, as they are repetitive, for instance motor shows are by project all the same. Therefore, the team of Marketing Communications department has experience, and they can dispense of analytical tools. The project review is done in details after the project finishes to get lessons learned and project improved for future motor shows. Volkswagen AG does not use within its project management any analytical or software tools while preparing and organizing events. They typically have their own personnel to steer the project and usually employ the external project team.

Based on the results of interviews, it could be recommended for Marketing Communication department of both companies to use Risk analysis and Risk identification and some of the following methods such as Delphi Method, Brainstorming, Crawford Slips, Root Cause Identification, SWOT analysis, Individual discussions with specialists, and particularly to use demonstrated econometric or decision-making techniques utilizing

computers, such as modeling, simulation or forecasting, when preparing events as it could help make the project management more effective and less costly. They should also utilize Gantt charts, network diagrams such as Program Evaluation and Review Technique, Critical Path Method or Arrow Diagrams Method.

ŠKODA AUTO also uses the services of external agencies and as it was identified, the costs of using specialized event agency are quite high (the agency fee takes cca 15 % of the total budget of millions of EURO allocated for the event itself. If it was feasible and the project management team at ŠKODA AUTO had all necessary skills and was capable to take over the tasks related to the entire planning and preparation of marketing communications event, which have been carried out by external event agencies so far, ŠKODA AUTO company would save considerable amount of money.

Based on the results of questionnaires, it follows that ŠKODA AUTO could do, besides the above mentioned, open air festivals and other events to attract students' attention. ŠKODA AUTO already organizes open days for interested students. However, ŠKODA AUTO could organize also workshops for them on regular basis, monthly or quarterly. Then the classical decomposition method or Holt-Winters methods would be applicable since monthly and quarterly data often include both seasonality and trend.

On the other hand the question arises if it would not bring a lot of useless administration as ŠKODA AUTO is a multinational corporation with a long lasting tradition and experience, and has been dealing with events for a long time and they are at a high level. The issue and the question for next research could be the usage of these techniques in external hired agencies or the continuation of the identification of project management of events within Marketing Communications department at ŠKODA AUTO quarterly (alternatively monthly) data. So that the principle of Classical Decomposition method could be demonstrated on quarterly or monthly data which include both trend and seasonality.

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