

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis

**Marketing Plan for Promotion of Drawing Course
Using the Right-hemisphere Method**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Management

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Bc. Martina Hochmalová

Economics and Management

Thesis title

Marketing plan for promotion of drawing course using the right-hemisphere method

Objectives of thesis

The goal of this Master thesis is to develop a marketing plan for an entrepreneur offering artistic training courses using the method of "right-hemisphere drawing". This work will focus particularly on Marketing Communication and Promotion of the courses.

Key words: Marketing Communication; Marketing Plan; Right-hemisphere drawing method; Marketing Mix

Methodology

1. Theoretical background: research processing of current attitude to creation of marketing strategy with the focus of entrepreneurship in training courses.
2. Practical part: Analyse customer feedback from course participants to identify potential improvements to the course and to the Marketing Communication methods. Techniques used will be: situational analysis, formulation of marketing goals, variant work out of marketing strategy, choice of suitable variant, proposal of marketing plan.

The proposed extent of the thesis

Approx 60 – 70 pages

Keywords

Marketing strategy, marketing plan, marketing mix, SWOT analysis, right-hemisphere drawing

Recommended information sources

COOPER, John, LANE, Peter. Practical Marketing Planning. 1 st ed. Houndmills: MACMILLAN PRESS LTD, 1997. 278 p. ISBN 0-333-67908-3.

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Declaration

I declare that I have worked on my diploma thesis titled "Marketing Plan for Promotion of Drawing course Using the Right-hemisphere Method" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague on 30th March 2015

Martina Hochmalová

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Marketingový plán propagace kurzu kreslení pravou mozkovou hemisférou

Marketing plan for promotion of drawing course using the right-hemisphere method

Souhrn

Cílem této diplomové práce je vytvoření marketingového plánu, který zvýší zájem a návštěvnost kurzů kreslení pravou mozkovou hemisférou poskytovaný paní Květuší Hochmalovou. Marketingový plán je vypracovaný na základě výsledků situační analýzy obchodní činnosti této podnikatelky. Tato diplomová práce se dělí na dvě části: teoretickou část a praktickou část. V teoretické části jsou definované nejdůležitější termíny a vztahy týkající se daného tématu. V praktické části je popsána obchodní činnost podnikatelky. Obsahuje analýzu marketingového mixu, Porterovu analýzu pěti sil, popis největších konkurentů, analýzu zdrojů a kompetencí, marketingový výzkum využívající dotazníku a SWOT analýzu. Na základě výsledků vyjmenovaných analýz jsou navrženy nové strategie, s jejichž využitím je možné dosáhnout stanovených marketingových cílů. Je také navržen akční plán popisující nový způsob propagace zmíněných kurzů kreslení. Pokud se podnikatelka rozhodne navržený plán využít, poskytne autorce informace o jeho výsledcích.

Summary

The aim of this diploma thesis is to develop a marketing plan which will increase the interest and attendance of course of drawing using the right-hemisphere method provided by Mrs. Květuše Hochmalová. The marketing plan is based on the results of situation analysis of the business run by her as entrepreneur. The diploma thesis is divided into two parts: the theoretical part and the analytical part. The theoretical part defines the most important terms and relationships regarding to the topic. The practical part identifies the business of the entrepreneur. It contains a marketing mix analysis, Porter five forces analysis, a description of the biggest competitors, resources and competences analysis, marketing research using a questionnaire and a SWOT analysis. On the basis of the results

of the mentioned analyses new strategies are proposed to achieve the marketing objectives and an action program of a new way of promoting the course is proposed. If the entrepreneur decides to apply the projected marketing plan she provides the results to the author.

Klíčová slova: marketingová komunikace, marketingový plán, metoda kreslení pravou mozkovou hemisférou, marketingový mix

Keywords: Marketing Communication, Marketing Plan, Right-hemisphere drawing method, Marketing Mix

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1 Introduction

During the last 30 years the market in the Czech Republic experienced very significant development and changes. In the totalitarian regime the only effort of the producers was to produce as much as possible, they did not have to figure out how to sell their goods. There was no reason to use various strategies because the situation did not allow any competition between the producers. There was an only brand of butter in the shop shelves for the same price all over the Czech Republic and there were the same conditions for the other products. The customers were not allowed to choose from a wide range of the goods on the base of their preference.

After nearly 30 years capitalism brought infinitive number of various products and a high competition. People have to decide among huge number of very similar products every day. Every day people have to consider their preferences and level of their trust in a brand. On the other hand, the companies make their best to figure out a way how to sell their products. The market produces continuously new products which might satisfy every single and the most specific need or want of the customer, products which would fill every single gap in the market and the companies have to use every possible tool to make the customers choose their product.

In this case marketing is used to analyse customers' needs and wants and struggles to satisfy them. Marketing uses promotion or marketing communication to address all potential and current customers, to deliver a message to them and influence their decision and persuade them to purchase. The companies invest in marketing still more and more money and the high technological development enables the companies to use still better and more effective mediums to promote their product. The result is that people meet promotion on every step of their life. The reality is that people becomes also more resistant against all forms of the promotion. However, a product or service without any promotion is predetermined to fail.

The same applies to small entrepreneurs providing services. They are not able to invest huge sums of money to promote their offer as the big companies and they are not able to compete with them. However, the market has also space for the entrepreneurs who have to develop their marketing communication to fit to their business, to be appropriate to

the cost the entrepreneurs can afford and to be the most effective. To achieve these requirements and persuade people to buy will be the aim of marketing plan worked out for drawing courses using the method of right hemisphere provided by Mrs. Květuše Hochmalová.

2 Objectives and Methodology

2.1 Objectives

The aim of this diploma thesis is to work out a marketing plan which will help Květuše Hochmalová, an entrepreneur providing drawing courses using the right-hemisphere method, to increase interest in her courses and their attendance.

The result of a drawing course using the mentioned method is the ability to draw portraits by the end of the three-day course, even if the participant is not able to draw at all at the beginning. Mrs. Hochmalová organizes her drawing courses all over the Czech Republic in cooperation with three other lecturers. Even if the provided service seems to be very attractive to the entrepreneur the demand for it does not live up to her expectations. Thus, this diploma thesis focuses on a situation analysis to reveal any shortcomings of the business and possible reasons for lower than expected demand. Subsequently if the results show that another way of promoting the service might significantly influence the situation which is also the hypothesis being tested, a new marketing strategy and an action program will be suggested.

The theoretical part focuses on definitions of the most important terms connected with the topic of a marketing plan and marketing communication. The practical part engages in situation analysis and offer solutions to the entrepreneur. The recommendations of the further actions of the entrepreneur and measures to check the success of the marketing plan are also included.

2.2 Methodology

This diploma thesis is divided into two parts- the theoretical part and the practical part. The theoretical part is based on a literature review, which is listed below, and defines the most important terms and relationships regarding to the topic of a marketing plan and marketing communication.

The practical part clearly describes the entrepreneur and her business. It is focused on description of all parts of the marketing mix and continues with a situation analysis. The external environment of the courses is examined with the use of Porter five forces analysis

which evaluates the state of the competition in the industry. For the analysis of the internal environment a resources and competences analysis was chosen. The following step to gain all the necessary information for the diploma thesis was marketing research using a questionnaire. This tool was designed for the participants of the drawing courses provided by Mrs. Hochmalová with the aim to identify the most typical participant of the courses and determine the target group for the product being provided. The questionnaire also examines all parts of the marketing mix used by the entrepreneur, includes an evaluation of all the components which create the service and the total satisfaction of the participants. Another important attribute of the questionnaire was the evaluation of the tools currently being used in the current marketing communication mix of the service. At the beginning the content was discussed with the entrepreneur. The first version of the questionnaire underwent a pilot test to reveal possible mistakes in the research and any conceivable misunderstanding in the questions. After any correction the final form was prepared and the participants received a hard copy of the questionnaire at the end of the course. The data gained was processed to receive information which would be used to work out the marketing plan. Following a SWOT analysis of the results of all the above mentioned analyses a conclusion can be drawn.

The practical part also includes a proposal of new marketing objectives of the business and strategies which will be used to achieve these objectives. The proposal is based on the results of the SWOT analysis and includes an action program which describes all the proposed steps of the plan in detail.

3 Theoretical Part

3.1 Marketing

People meet marketing every day of their life. Marketing represents a key factor which helps companies to reach business success. Kotler and Armstrong (1991, p. 673) define marketing “*as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.*” Kotler and Armstrong emphasize the marketing goal which is represented by satisfying customers’ needs, wants and demands and by creating demanded value and reaching predetermined goals.

American Marketing Association defines (AMA, 2014) marketing as “*the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*” It is clear from the definition that marketing is not just selling. There is emphasized the necessity to meet and understand needs and wishes of a customer, develop products which would bring new benefits to the customers for favourable prices, distribute them effectively and support their selling.

3.1.1 Marketing of Services

This diploma thesis is focused on the marketing plan for an entrepreneur producing services. Nowadays, the market of services experiences a significant growth. The constantly growing demand for services is caused by many factors. The first factor is the growing wealth of the consumers which allows people to use services providing them certain comfort as cleaning, cooking, care and others. The second factor is the fact that growing income caused higher demand for sport activities and services for the free time. Another factor is a growing use of high technology in the households which is connected with the need of its service (Vašítková, 2014).

Service as a product varies from goods in certain features. Kotler and Armstrong (1991, p. 603) define service “*as an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything.*” To be able

to make a good marketing plan it is necessary to know its basic characteristics. These are described in following lines (Kotler, Armstrong, 1991):

Intangibility- is one of the most characteristic features of service. It is impossible to perceive any characteristic of the service by any sense before the purchase. It is impossible to see the service, touch it or experience it before the purchase because a service comes into existence through its consumption. A customer of a service can never be sure what kind of quality he will receive. Because of this fact he can make his choice according to the visible attributes which are the environment, people providing the service, price and others. For this reason every company should care about the way in which it presents itself.

Inseparability- In the case of a physical good it is made and it leaves its producer to find an owner. However, in the case of service it cannot be neither produced nor used without personal presence of both producer and the customer.

Variability- Because of the fact that service cannot be separated from neither the producer nor the consumer it is impossible to guarantee always the same quality. The producer of any service is a human being not a machine, thus, the quality of the service cannot be absolutely standardized. It is influenced by the time, place and the way in which the service is done.

Perishability- A service cannot be stored. Once the service is not used it is lost. Therefore, the state without any reserve can make problems to the companies with unstable demand. Service cannot be resold or returned as well. However, it does not mean that the customers will not receive any compensation for a bad service. In this case, the compensation is done in the form of money or better service.

3.2 Marketing Planning

During the process of planning the company should evaluate its current situation, analyze the market, competition and development of demand. Pursuant to the obtained results the objectives should be set, way of distribution should be determined and marketing plan should be created (Blythe, Megicks, 2010).

Marketing planning is created on three levels- strategic, tactical and operative. Strategic planning is essentially based on the strategic objectives of the company with long term character. It is made for more than five years.

Strategic planning is very closely followed by tactical planning which is usually established for one to four years. The substance of its content are the goals and ways how to achieve them.

Tactic plans are then processed in partial plans which are called operative plans. In this case maximally one year is involved. In this case the objectives are formulated more specifically and their measures and budget are established. The main goal of this kind of planning is to achieve the objects of the company which were established by tactical and strategic plans (Blythe, Megicks, 2010).

3.3 Marketing Plan

Marketing plan represents a key tool to management and coordination of marketing activities of a company which should be established for every new product, service or coming period. As a written document based on marketing strategy it serves to its implementation and verification. Marketing plan clarifies and evaluates current situation of the company “where we are”, determines the process which will help the company to get “where we want to be” and sets the way of its control. This process enables the management to improve effectiveness of the marketing process. Good marketing plan also has to be able to respond if any factor of the marketing environment changes (Foret, 2006).

During the whole process of creation of a marketing plan four aspects should be always remembered. Marketing plan should be simple enough to be easy understood and say clearly its content. Second requirement is represented by its specificity. The goals are supposed to be specific and measurable. The marketing plan should contain specific actions with the date of their finishing and determination who is responsible for particular tasks and what the budget is like. It is also necessary that the marketing plan is realistic and complete (Kotler, Keller, 2012).

3.3.1 Content of Marketing Plan

Marketing plan usually contains following parts (Blythe, Megicks, 2010; Jakubíková, 2013):

- 1) **Overall summary:** summary of main objectives and strategies of the period which are also used for establishment of the marketing plan.
- 2) **Situational analysis:** brief characteristic of current state of the enterprise and gaining of basic information about product, market, microenvironment (customers, suppliers, competition etc.), macroenvironment (according to PEST factor) and internal environment of the company.
- 3) **SWOT analysis:** results of all above mentioned analysis are then used to make a SWOT analysis which identifies strengths and weaknesses and main opportunities and threats of the company.
- 4) **Marketing objectives:** setting of goals of the company regarding the market share, sell or profit.
- 5) **Marketing strategy:** in this part a mission of the company and marketing activities which would lead to the achievement of the marketing objectives are defined.
- 6) **Implementation plans:** suggest specific marketing tactics which lead to achievement of the objectives and implementation of the tactics is also included. Pursuant to the marketing strategy and marketing mix there are developed some activities and tasks: activity, goal of the activity, responsible person, time period, budget.
- 7) **Budget:** forecast of expected financial results. Expected marketing costs according to the marketing activities (research, marketing mix) and expected revenues are included. Budgets usually relate to short time in order to the company could respond to unexpected incident.
- 8) **Control:** description of the way of control and determination of the time period in which the results and fulfilment of the marketing objectives would be measured.

3.4 Overall Summary

Marketing plan should begin with a brief introduction of the main goals and recommendations. It is a part which communicates the main purpose of the plan. Thus, it provides better understanding.

3.5 Situation Analysis

The company is situated in an environment effected by many factors and influences. If the enterprise wants to survive it has to adapt. It is necessary to understand and evaluate the influence of mentioned factors on the company's activities to be able to engage in strategic planning and planning of operative fields. For this purpose serves situation analysis which provides detailed information about current market situation. It consists of analysis of environment (external analysis)- macro- and microenvironment and analysis of the company alone (internal analysis) (Blythe, Megicks, 2010).

3.5.1 External Environment

Analysis of external environment should focus on gaining of relevant information about factors which influence strategic position of the company. Primarily on the parts of macro- and microenvironment (Kotler, Keller, 2012)

Macroenvironment

Macroenvironment consist of factors influencing the development of the company, however, they cannot be influenced by the company alone. These factors contain demography, economy, nature, technology, politics and culture. Nevertheless, the all mentioned forces do not influence every company in the same way and with the same weigh. It is up to the managers responsible for the marketing strategy to analyze only the factors which are important for the company. Gained information are afterwards used for a forecast of company's environment and its possible influence on the strategy (Kotler, Armstrong, 1991, Jakubíková, 2013).

PEST Analysis

For evaluation of the development of external environment it is possible to use a method called PEST analysis which is focused on four factors which are able to influence the enterprise activity (Jakubíková, 2013):

- Political
- Economic
- Social
- Technological

Political

Political environment has a big influence on marketing decisions. Choice of business field and the way how the entrepreneurship develops are affected besides other things by different laws, precepts and local ordinances which have to be considered. Object of the analysis could be stability of government, tax policy, social policy etc (Kotler, Keller, 2012).

Economic

Marketers have to be well informed about incomes, prices, savings, debts and credit possibilities to know purchasing power of people which can significantly affect the business activities (Kotler, Keller, 2012).

Social

The society defines certain opinions, values and standards which significantly form people's preferences and customer behaviour almost unconsciously. Objects of the analysis can be incomes, life style, level of education, mobility etc. (Kotler, Keller, 2012).

Technological

The rate of technological innovations accelerates very fast. Still better and more innovative products are required which would ensure competitiveness to the producers. Managers have to be always ready to react for innovative technologies of their competitors (Foret, 2006, Kotler, Keller, 2012)

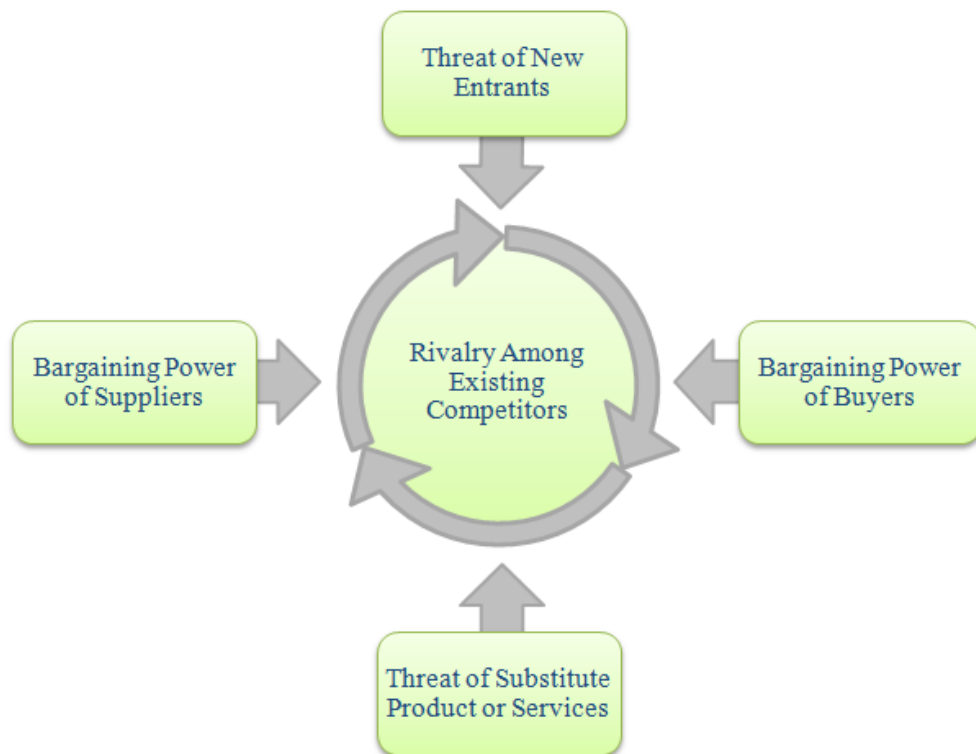
Microenvironment

How successfully a company will build and maintain relationship with the customers via satisfying their needs and wants does not depend solely on marketing alone. The results are affected by interaction between the company and other factors operating in company's microenvironment. Those are other employees and departments, suppliers, service providers, competitors and publics. The mentioned factors influence company's environment, however, the company is able to affect them significantly by its activities (Kotler, Armstrong, 1991). To analyze microenvironment Porter five forces analysis is used in this thesis.

Porter Five Forces Analysis

Method which is used to characterize the sector which the company is engaged in is called Porter five forces analysis. It describes competitive forces which create competition in the sector and which directly influence competitiveness and success of a company. Because of this fact the company has to take account of the competitive forces of the industry when creating a strategy. The analysis is focused on description of competitive situation, sources of competitive pressure and their intensity, action and reaction of competitors and present and future competitive situation. Goal of the model is to understand forces which influence the sector and determine which has the biggest impact on the company (Blythe, Megicks, 2010).

Figure 1- The Five Forces Model



Source: Tichá, Hron (2003)

According to Porter the competition in a certain sector is result of five competitive forces (Blythe, Megicks, 2010):

Threats of Strong Rivalry in the Sector

Firstly the attractiveness of the sector is described. The sector's attractiveness is influenced by the number of strong competitors, by the development of the sector, by the amount of investments which are necessary for any enlargement of the business, exit barriers and others. These conditions influence the power of rivalry.

Threat of New Entrants

The characters of barriers for entrance or exit from the sector are the factors which the most affects the probability of entrance of new competitors and they also influence the level of profits of the sector.

Threat of Substitutes

Companies producing a product or in our case service which is easily replaceable should be aware of the fact that any substitute could limit their prices and profits.

Threat of Bargaining Power of Customers

A segment loses attractiveness with increasing power of its customers. Strong customers can use strong competitive pressure which might lead to escalated competitive relationship in the segment. Thus, companies with a significant interest to get contract would act very hard.

Threat of Bargaining Power of Suppliers

It is undesirable to start business in a segment which is dependent on supplies of essential sources from very powerful and influencing suppliers. In that situation any increase of the price or reduction of the quality could significantly influence profitability of any company in the segment.

3.5.2 Internal Environment

Analysis of the internal environment reveals resources and competences of a company which might help the company to build a competitive advantage.

Resources and Competences Analysis

Competitiveness of a company is based on resources and competences of a company. Thus, the way how a company uses them has a strategic importance.

Resources

Resources of a company are understood as a reserve of factors which are owned or controlled by the company. With the use of other assets and mechanisms the resources are transformed into the final products. The tangible and intangible resources are recognized.

Competences

Competences represent the ability of a company to use its resources. They are tangible and intangible and their development is caused by interactions between the resources of the company.

The resources and competences are required to be:

- Valuable
- Uncommon
- Inimitable
- Not easily substitutable

Using a strategy based on the resources and competences which meet the above mentioned requirements a company can build a competitive advantage of a longer lasting character (Tichá, Hron, 2003).

3.5.3 Marketing Research

Some information which are very important for a company in a specific situation can be gained only through formal studies. When marketers need to know their customers better, what kind of people they are, what their wishes and needs are, what kind of attitude they have to a product or if they need to analyze market situation of the company or want

to gain some important information which would help to make a marketing plan they use marketing research. Marketing research is used to collect, analyze and evaluate data and its results are represented by information about the market and market object (Kotler, Armstrong, 1991).

As an advantage of marketing research can be seen its uniqueness because only the company which makes the research can use its results. Another advantage is its high explanatory ability which is caused by its focus on a suitable group of correspondents. Also the information gained by marketing research is always current. As a disadvantage is considered its relatively high cost, its duration and necessity of highly qualified employees (Burns, Bush, 2013).

The process of marketing research consists of six steps (Kotler, Keller, 2012):

1) **Definition of the Problem and Research Objective**

Marketers use marketing research when they do not have enough information necessary for a decision. The initial part is very important. Its task is to precisely define problem which the marketers want to solve and estimate what kind of objectives the research has.

2) **Development of the Research Plan**

Data Sources

Marketers have to decide what kind of data sources they will use. They can choose **secondary data** which are represented by information which have been already collected for different purpose. Thus, the marketers do not have to gather it again. The other option is to gather new actual data especially for the objectives of the particular research. In this case the marketers collect **primary data**.

Research Approaches

To gather primary data three major research methods are used (Kotler, Armstrong, 1991):

- **Observation research**- is the best method for exploration. It enables the researchers to observe consumer's behaviour without affecting his spontaneity or observe

competitor's offer. This method is able to reveal information that people would not want to say or would not be able to say. However, factors which can be observed are very limited and because of this fact observation research is often used in a combination with different method.

- **Survey research**- is the best method to gather descriptive information. In this case a company can ask people directly what it wants to know. A survey can be structured which means that the researcher has a list of questions and uses it to ask every respondent in the same way. Unstructured survey enables a researcher to adjust his questions to the situation. Survey research is compared to the other two methods very flexible. Its use is not limited neither on gathering specific information nor specific situation. The whole process of survey research is faster and its cost is relatively low. However, this method also has some disadvantages. Problems appear when a respondent does not want to answer a question or do not know the answer. It is also difficult to avoid untrue answers. In this case only very prepared and sophisticated survey design can obtain the most accurate information.
- **Experimental research**- is used to obtain causal information. For this method similar groups of people are chosen. They get different treatment and the researchers observe their reactions. Aim of this method is to find relationship a cause and an effect avoiding any unrelated factors.

Contact method

Researchers can get in touch with their correspondents by different methods. Kotler and Keller (2012) describe the following:

- **Questionnaires**- are the most common choice of most companies. Its popularity lies in ability to obtain large number of various information and in the fact that cost of gathering information by questionnaires is relatively low. This method is very flexible, however, its use requires very good preparation to obtain information of good quality. In the case of questionnaire marketers use close questions where a correspondent chooses from several possible answers. These answers are also more easily processed. The other option is an open question which gives an option to the correspondent to express himself. These answers are more difficult to be processed, however, they can bring a new perspective. Researchers have to formulate

questions very prudently because even the form of the question can influence the answer. Before starting the real research the questionnaire should be tested and revealed shortcomings should be removed.

- ***Qualitative metrics***- are relatively non structured measuring approaches which provide certain amount of possible answers. These creative tools are used to reveal customers' perception.
- ***Mechanical instruments***- is a method allowed by the technological development. A researched person is shown advertising and mechanical devices observe, register and measure his reactions. This method is able to capture even those kinds of feelings and emotion which the particular person is not conscious of.

3) **Collection of information**

Collection of information is a part which is usually the most expensive and most inclinable to mistakes. The process of collection of information is not always ideal. Very often problem is to get the answers from the respondent and to get true answers.

4) **Analysis of information**

Large number of information does not have any value for a marketer. After collection they have to be processed, analysed and classified.

5) **Presentation of results**

Marketer presents results of the research to the management of the company. The results should be relevant to the decision which the management has to take.

6) **Making a decision**

Managers have to consider results of the marketing research and make a decision. It may happen that the managers do not find the results of the research trusted and they do not follow them. Sometimes they decide to make another research to get even more information.

3.6 SWOT Analysis

SWOT analysis works with results of previous analysis. It identifies the main strengths and weaknesses of a company and compares them with the main impacts of the environment of the company, namely, with opportunities and strengths. The aim is to

collect information which would be used as a base of the strategy formulation. SWOT analysis should be applied with the aim of strengths development and reduction of weaknesses and in the same time to be ready for potential opportunities and threats. Determination of the strengths and weaknesses, opportunities and threats is not the goal of the analysis but express those which have a strategic meaning (Kotler, Keller, 2012).

Figure 2- SWOT Matrix



Source: Tichá, Hron (2003)

Strengths, weaknesses, opportunities and threats are afterwards put into four quadrants of SWOT chart and evaluated. Results of external analysis bring new knowledge regarding opportunities which a company has compared to its competitors in the case of parameters of external environment. Aim of internal analysis is to determine weaknesses and strengths to get an overview of specific advantages or to focus on actions for remove of deficiency which does not allow the company to deal with the competitive environment (Blythe, Megicks, 2010).

3.7 Marketing Objectives

Next step of marketing plan after situation analysis is the establishment of marketing objectives. It is impossible to determine a way how to achieve something without knowing what we want to achieve. Goals show a point which a company wants to reach and only after determination of the goals a company is able to plan steps which would lead to the achievement. The principal business objectives are planned by the top management. They represent the strategic goals and tasks of a company. Marketing goals are set up on the basis of the results of situation analysis. They are closely connected to general principal goals of a company. Marketing goals are smaller, more detailed and specific and their aim is to support the principal one (McDonald, Wilson, 2011).

Kotler and Keller (2007) describe four important characteristics of correct and functional goals. They should be hierarchically structured to distinguish the level of their importance, measurable, realistic and consistent.

3.8 Marketing Strategy

Marketing strategy is a description of a way how a company wants to achieve its goals. It represents a long-term approach to activities of marketing department. The aim of marketing strategy is to achieve an advantageous market position and good results. It has to respect a principal strategy of a company, be based on results of situation analysis and be related to principal and marketing objectives. Because of the fact that every company is unique, produces different products or services, operates in different environment and is influenced by different factors there are distinguished many different marketing strategies which would enable a company to choose the most suitable one (Mullins, 2007).

The author Dagmar Jakubíková highlights two basic groups of marketing strategies:

1. Strategy focused on the market

The table bellow represents Igor Ansoffs' strategies which are focused on the market. The Ansoff matrix is a strategic planning tool which helps managers to find a way how to develop the business activities and achieve economic growth. The matrix includes co called growth strategies which are influenced by combination of two factors- market development and the product development.

Figure 3- Ansoff Matrix



Source: Kotler, Keller (2012)

- *Strategy of market penetration* tends to increase consumption of the current product at the current market. To achieve these objectives the strategy tends to increase the marketing efforts which might raise the consumption of the current customers, steal some competitors' customers or attract new customers.
- *Strategy of the market development* struggles to increase the sales by providing the current product in new market segments. This can be achieved by enlargement of the geographical area where the product is sold.
- *Strategy of product development* is connected with development of a new product which would be provided in the current market.
- *Strategy of diversification* uses new products which are offered in new markets to increase the profitability.

Ansoff stressed the fact that the strategy of diversification varies from the other three strategies. While the first three strategies can be applied using the current technical, financial and business resources the strategy of diversification requires some

organizational changes. To apply the strategy of diversification new abilities and technical equipment are necessary (Mullins, 2007).

2. Strategy focused on the competition

To satisfy the needs and wants of the customers should not be the only aim of every marketing strategy. It is also necessary to include the importance to find out a position which enables the company to keep or improve the profitability against the competition. It is crucial to find out and identify all activities which represent some competitive advantages of a company to be able to apply a strategy focused on the competition.

Porter describes three kinds of competitive strategies (1994):

1. Advantage of lower total costs- a company tends to offer a product for lower price than a competitor does. It can be achieved by lower cost of the production.
2. Differentiation- a company makes an effort to increase the value of a product by changing a component which is important for the customers. It can be the quality, price or service. Result of these changes might be a competitive advantage.
3. Specialisation- the strategy is based on concentration on a specific segment. It enables a company to know better the segment and provide them a product which meets all the special requirements of the segment.

3.9 Action Program

Action program is made on the basis of marketing strategy. This part of marketing plan is focused on a choice of the most suitable combination of marketing tools which would lead to objective achievement defined by the marketing strategy. Action program also deals with connection among the marketing tools and their implementation. Combination of marketing tools creates a marketing mix which will be described in the chapter 3.12. Implementation plan also includes an description of specific activities and their goals, determination of people responsible for the activities, determination of a time range of the activities and a budget (Jakubíková, 2013).

3.10 Budget

When an action program is prepared it is necessary to make a budget which informs about the approximate level of expected investment needed for realization of a marketing strategy. Every marketing plan should at least inform about total cost of its realization (Westwood, 1996).

Budget of a marketing plan often shows whether the marketing plan is or is not realizable. Managers often decide on acceptance or refusal of the marketing plan on the basis of budget. They estimate income of the company with a use of sales and average price of a product or service and they subtract costs of production, distribution and marketing. Result is an expected profit (Blythe, Megicks, 2010).

3.11 Control

Last step of marketing plan is control. This part describes a system which will be used to control the plan implementation and monitor its progress. Usually two tools are used to control plan implementation- goals and budget. With the use of this practice the higher managers are allowed to review the results of the plan implementation and find areas in which the marketing goals are not achieved (Kotler, Armstrong, 1991).

3.12 Marketing Mix

One of the most dominant concepts of modern marketing is marketing mix. It is a set of tactical marketing tools which the company uses to adjust its offer regarding the target market. In this way the company influences the success of a product in the market (Kotler, Armstrong, 1991).

During planning of a marketing mix it is necessary to respect mutual bonds of the individual elements. The company has to be devoted to every item of marketing mix because it is impossible to substitute an item by another one (Foret, 2012).

Marketing mix is considered as set of intrinsic factors of the company which allow influencing of consumers' behaviour. The group of these tools used for services is called 7P's (Vašítková, 2014):

- **Product** is an article or service which is offered to the customers to satisfy their needs and wants when purchasing.
- **Price** represents the amount of money paid for a product or service and it is also perceived by the customers as a value of its ownership and usage. Price is an important factor influencing demand. It is the only item of marketing mix which represents an income of the company, the others mean only costs.
- **Place** consists of all activities of the company which are done to make the product available and accessible on a target market.
- **Promotion** or marketing communication is a factor of marketing mix which tends to be most visible. It is used for communication with the customers, support of the products and building of an image of the company. Its goal is to attract customers' attention and persuade them to purchase.
- **People** or nice providers significantly influence popularity of a service. In the field of services people provide the service to final consumers, thus, they become a part of the product.
- **Process** is represented by systems which influence the execution of a service. All possible shortcomings should be removed to achieve good interaction between the provider and the customer of the service.
- **Partnership** is used in the case that one company can achieve its objectives more effectively using support of another company.
- **Packaging** is represented by two or more services which are bought by a customer and a total price which is usually lower than a sum of the individual prices is charged.

3.13 Marketing Communication

Marketing communication is a tool which is used by the companies to support their strategies. The aim of marketing communication is to provide target group with information, persuade them and make them purchase a product. A product or service has to be made visible and make a good impression in order to attract a customer. To gain information and above all to provide the most customers with information companies use communication mix which consist of advertising, public relations, sales promotion, personal selling and direct marketing (Zamazalová, 2009).

Many variables are considered to segment a market. They are used alone or in a combination. According to Kotler and Armstrong (1991) the major variables are geographic which consider how geographical factors influence customers needs and wants, demographic which divides the market according to age, gender, education, size of family, etc., psychographic which distinguish social classes in the market, life style and personal characteristics and behavioural variables which divide the market according to knowledge and attitude of people and their responses to a product.

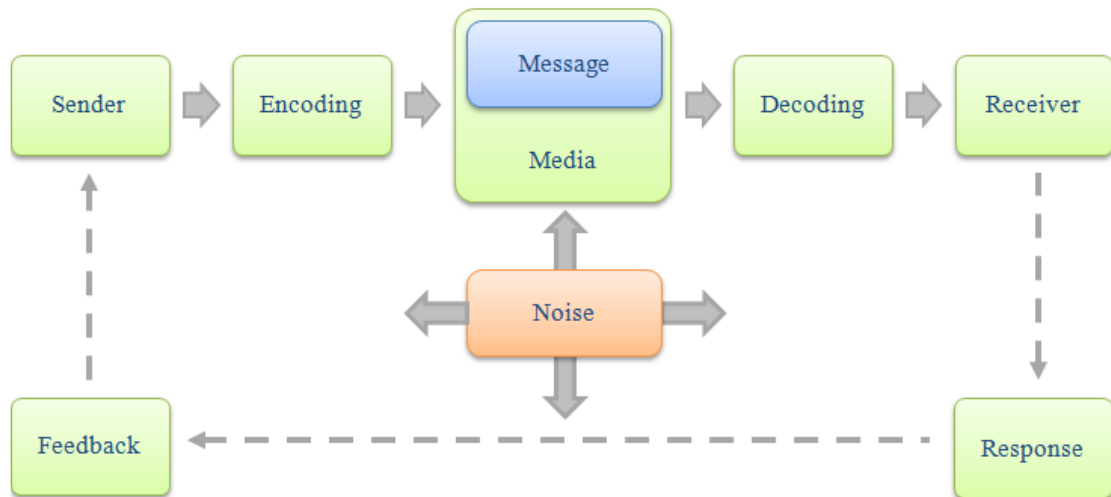
3.13.1 Communication Process

Communication is a basic human ability. Every person uses communication every day of his life and the level of effectiveness of its use influences everything what happens in somebody's environment.

Object of communication is any message which is presented by a person and perceived by another one. Whether a conversation will be successful or not depends on its time and environment and communication abilities of the receiver. The message has to be comprehensible and clear. Both partners have to be familiar with a channel used to send a message because even a wrong choice of the channel can make the process ineffective (Fill, 2009).

Communication process consists of nine elements. The most important elements are the sender and the receiver. Another two elements have a function of communication tools. Those are message and media and the major communication functions are represented by encoding, decoding, response and feedback. There is another one important element called noise which disturbs the message (Kotler, Armstrong, 1991).

Figure 4- Marketing Communication Process Model



Source: Kotler, Keller (2012)

The process of communication is following. The initiator has a message which he wants to send to the receiver. The message has to be encoded and sent with the use of a media. Receiver's task is to decode the message, accept it and make a response which will show whether the message reached the receiver undisturbed and whether the receiver understood it right. The efficiency of communication can be disturbed by noise which can appear in every part of the process (Kotler, Armstrong, 1991).

3.13.2 Goals of Marketing Communication

Marketing communication is considered as successful if it fulfils certain predetermined goals. The main goals of marketing communication are (Fiedler, 2008):

- **To provide information-** to inform the customers about a product, the company, news, etc.
- **To increase demand-** through successful marketing communication it is possible to increase demand for a product without any price reductions.
- **Differentiation of a product-** an important task for marketing communication is to be able to keep customers aware of features of the products which make it different and unique compared to products of the competition.

- **To emphasize the value and usefulness of a product-** it is necessary to communicate the advantage and value which is provided by ownership of the product. Aim of this goal is also to find a target group which would appreciate this advantage.
- **To stabilize the turnover-** aim of this goal is to avoid or reduce the impacts of seasonality on the turnover.

3.14 Market Segment and Targets

There are many groups of potential customers in the market which differ in many aspects. Customers purchase behaviour is influenced by different needs and wants and various trends which they follow. The first thing which should be done when starting the communication planning is to identify all groups of the market and decide which group will the company focus on. Definition of chosen target group is the basis for following steps. It influences the selection of objectives and tools which will be used to reach them, process of media planning and way of campaign realization (De Pelsmacker, Geuens, Van den Bergh, 2010).

Market **segmentation** should define groups which would react on an impulse in the same way. It is important to analyse characteristics of chosen segment and decide if it is attractive for the company. Following step is **targeting** which means a focus. All aims of the communication, strategy or tactics would be focused on this chosen target group (De Pelsmacker, Geuens, Van den Bergh, 2010).

In the phase of **positioning** the marketers decide the way they want the customers to perceive their product in the comparison with competing products. It is a set of characteristics which customers have in their minds connected with a product or brand (Kotler, Armstrong, 1991).

Five special targeting strategies are distinguished:

- **Concentration on one segment-** a company follows the strategy to try to achieve success with an only product per market.

- **Selective specialisation**- a company focuses on more separate market segments which are usually not connected thus, there does not exist any support of each other.
- **Product specialisation**- a company tries to success on more market segments with one product.
- **Market specialisation**- a company focuses on one market segment where it tries to success with more different products.
- **Full market coverage**- a company tries to achieve success in all market segments with a product which suits to the particular segment.

3.15 Marketing Communication Mix

The marketing communication mix is a set of tools which is used by the company to present its products or service to the target group, persuade it to purchase, create a group of loyal customers, increase the frequency and volume of purchase, get more familiar with the public and target customers, communicate with them and reduce fluctuation in sales (Fill, 2009).

Main tolls of marketing communication mix are (Fill, 2009):

- **Advertising**
- **Personal selling**
- **Sales promotion**
- **Public relations**
- **Direct marketing**
- **Internet communication**

Marketers have to find a combination of these tolls which would achieve the advertising and marketing goals. Marketing communication mix can significantly influence customer's perception of a product or service, as well as the whole company. Technological progress brings still more and more possibilities of communication.

3.15.1 Advertising

Kotler and Armstrong (1991, p. 444) define advertising as “any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified

sponsor.” Advertising has many forms and uses. It allows the sellers to repeat the message frequently which enables the customer to compare its message with competition. The use of sound, colours and artistic design makes it also very expressive. Advertising can quickly reach huge number of people which are spread out on a large area. However, it has also some disadvantages which are represented by its impersonal character because it allows only a one-way communication. Several forms of advertising are also very expensive.

Advertising Objectives

Every advertising should have a mission, a goal which is supposed to be reached. The goals are related to a specific audience and given period of time and on the basis of their purpose they are classified (Fill, 2009).

The Informative Advertising- is focused on creation of awareness of a brand and new products. This kind of advertising is also used to inform about new characteristics of an existing product.

The Persuasive Advertising- tends to influence popularity of a product or service, change preferences of the customers and persuade to purchase.

The Comparison Advertising- compares product with competitive product. It is necessary to respect laws which regulate comparison advertisings.

The Reminder Advertising- is focused on stimulation repeating purchase of a product or service.

Advertising Budget

Setting the budget is the second step in the process of advertising preparation. Marketers have to plan in advance how much money they want to spent on advertising to achieve the required objectives. If they establish the budget too low the support of a product is not sufficient. However, too high investments in advertising are not desired. There are several factors the marketers should consider during the process of setting the budget. It is necessary to be aware of the stage in the product life cycle, market share, the quantity of competitors’ advertisings and frequency of advertising which is necessary to put across the message to customer (McDonald, Wilson, 2011).

Creating the Advertising Message

Advertising message has a significant share on success of advertising. Message which a marketer wants to communicate is even more important than the amount of money that is spent on it. If advertising is able to attract the customers and communicate well the message it does not need a high monetary support to be successful (Fill, 2009).

Selecting Advertising Media

During the process of selecting advertising media the marketers has to consider several factors. Firstly the percentage of people which they want to attract in a certain time period, how often they want a member of the target group to be exposed to the message and which kind of media will express the product in the best way. The major media for advertising are (Fill, 2009):

- Television spots
- Radio spots
- Press advertising
- Outdoor advertising
- Cinema advertising
- Audiovisual spots

The youngest but the most dynamic and the fastest developing became the internet.

Advertising Evaluation

Two ways of advertising evaluation are recognized. The first one measures the communication effects and the second one evaluates the sales effects. Both of them should be done regularly. The measuring of communication-effects evaluates the ability of advertising to attract customers' attention and the ability to influence them. Marketers can measure these factors both before and after the advertising is released. The second way of advertising measuring is used only after the advertising is released. It shows the impact of the advertising on sales of the product or service. However, advertising is not the only factor affecting sales. Thus, this kind of effect is not always easy to measure (Fill, 2009).

3.15.2 Sales Promotion

Sales promotion is another flexible tool of marketing communication. It allows approaching particular consumers in particular place and providing them with additional

impulses which would stimulate purchase of a product or service. Sales promotion is used to make a product more attractive and increase its sale (De Pelsmacker, Geuens, Van den Bergh, 2010).

While advertising support purchase and sale in a long term sales promotion tends to encourage consumers to buy a product right now or in higher quantity (Kotler, Armstrong, 1991).

Tools of Sales Promotion (Fill, 2009; Kotler, Armstrong, 1991):

- Samples- are represented by quantity of a product for free. This way of promotion is usually used in the case of introduction of a new product. Samples can be delivered personally, sent by mail, given in a store, bundled with another product. This way of promotion is also the most expensive one.
- Coupons- provide customer with a special sale which he receives for purchase of a specific product. Coupons stimulate customers to purchase repeatedly.
- Cash refund offer- provides customers with a sale after a purchase.
- Price packs- promote a product through reduced price. Price of a product in a package is lower than the price which would be paid without the promotion.
- Premiums- product is offered for relatively low price or for free. This way of promotion tends to persuade a customer to buy a product.
- Patronage rewards- are used to keep customers loyalty. Customers are usually rewarded for regular purchase of a product by cash or other kind of reward.
- Contest- is an opportunity for customers to win something- product, cash, trip.
- Advertising specialities- are represented by objects signed with name of the brand which are given to customers for free as a present.

3.15.3 Public Relations

Public relations (PR) is a tool which struggle to build an image of a company to support a good name of a company. It is used to shape public perception of the company in a positive way. PR is a planned tool long-term used to build and keep good relationships and sympathy with public. In this case it is a two-way communication because a company gives information and it learns from the public in the same time (De Pelsmacker, Geuens, Van den Bergh, 2010).

Public relation can be divided into two parts- external communication and internal. Internal communication tends to build positive relationship of a company with its employees and expects that the employees will support image of the company then. External communication is focused on relationship of a company with its environment, it means on its customers and various organizations (De Pelsmacker, Geuens, Van den Bergh, 2010).

Fill (2009) describes following **tools of PR**:

- Press release and Press conferences- is represented by messages which are given to media. Aim of press release is to present information through media and inform public about a company, its activities, products or employees.
- Event marketing- is connected with organization of extraordinary events. Aim of an event is to prepare an impressive experience for a potential customer which would positively influence his attitude to the company.
- Publications- are represented by annual reports, company newspaper and magazines which publishes the company.
- Sponsoring- is a way of company presentation in public when a company gives an financial or material support to an individual, group or organization.
- Lobbing- means effort to follow, influence and shape legislation and regulation which could harm a company in a way.

A powerful advantage of public relations is its credibility which helps to attract also the customer who struggle to avoid effects of advertising. In the same time public relations is relatively low cost kind of promotion (Foret, 2003).

On the other hand public relation is not able to control what press communicates to public and its effectiveness is hardly measured (De Pelsmacker, Geuens, Van den Bergh, 2010).

3.15.4 Personal Selling

This tool of marketing communication mix is the oldest and most effective one. It is focused on personal interaction when a salesperson negotiates with a customer and tries to persuade him to purchase. When dealing face to face a sales person is able to watch

customers' reactions and respond them. This is the advantage of personal selling because in this case a salesperson can immediately solve any misunderstandings or respond to customers' requirements (De Pelsmacker, Geuens, Van den Bergh, 2010).

Following steps describe a correct process of personal selling (Kotler, Keller, 2012):

- **Prospecting and Qualifying**

The whole process begins with identification of potential customers. Companies approach customers via e-mail or phone call and qualify the level of their interest. Potential customers are afterwards entrusted to salespeople.

- **Pre-approach**

At this stage salesperson needs to learn about his customer as much as possible. His task is to determine goals of the meeting and the way of contact approach.

- **Approach**

Salesperson already proceeds to approach his customer. His task is to start communication positively, make a good impression and get more information about customer's needs.

- **Presentation and Demonstration**

Task of the salesperson is to present and demonstrate his product following FABV method- features and advantages of the product and equally benefits and value.

- **Handling Objections**

The salesperson has to be very good at negotiation to be able to deal with all customers' objections.

- **Closing**

Goal of the whole process is to make an order right now. The salesperson has to be able to recognize that his customer is ready to buy a product and in the case of his uncertainty encourage him by offer of special lower price or additional services.

- **Follow-Up**

Closing is not the last step of the whole process because if a salesperson wants the customer to make business with him again he has to fulfil all promises and keep good relationship.

3.15.5 Direct Marketing

Direct marketing is another important tool of marketing communication mix. It uses advertising media which allow direct contact with a customer and his immediate response. As a respond can be understood an order of a product or service. This kind of interaction is a big advantage of direct marketing and provide easily measurable results.

The level of technology development and busy lifestyle contribute to higher use of direct marketing in these days. Marketers use internet pages, direct marketing, telemarketing, mobile advices as advertising media which facilitate customers' purchase. People get used to shopping out of home where they feel comfortable, can buy no matter what they want no matter when because internet pages are always available for them.

Nowadays this tool of marketing communication is also used to build long-term relationship with customers when marketers send to their customers various information, birthday cards etc. (Fill, 2009).

Tools of Direct Marketing

Kotler and Armstrong (1991) describe four major tools of direct marketing:

- Direct mail marketing- is used to send an offer or information to a particular customer. Its main advantage is the flexibility and easy measurement of response.
- Catalogue marketing- is represented by a visual or verbal list of products or services which can be printed or in digital form. Catalogues are sent to particular customers or they are available in stores.
- Telemarketing- is characteristic for the use of telephone. Companies usually use call centres to sell products.
- Direct response television marketing- uses broadcast to present a product. Customers can response by an order via phone call.
- Kiosk marketing- is represented by small place where customers can get information about a product or directly order it. Kiosk marketing appears in stores, airports and other places.

3.15.6 Internet communication

The Internet

Nowadays the most emphasized and the fastest developing tool of marketing communication mix is the internet. It is a popular commercial medium which is used as an effective channel for advertising, marketing and direct sale of products and services. The internet has the ability to influence all tools of marketing mix. In the case of a product the mass production slowly turns into customized production based on individual needs of a customer, the distribution became less complicated for an easier and more effective communication, regarding the price the internet users can easily check the prices and so avoid possible price discrimination. Using the internet companies have the opportunity to approach the growing number of users, it enables easy access to global markets, develop two-side communication with the users, identify the target groups and provide them an information adjusted to their needs (De Pelsmacker, Geuens, Van den Bergh, 2010).

A very big advantage of the internet is its memory. Whenever a user access this communication medium the provider gets record of his electronic address and his behaviour is recorded. Thus, all the information reaching the user can be adjusted to address any individual customer (De Pelsmacker, Geuens, Van den Bergh, 2010).

There are many forms which can be used by companies to communicate with their customers. Kotler and Armstrong (1991) describe the following:

1) Website

Creating website a company is able to present itself and the brand. Website is a tool relatively easy to use and cheap and this fact makes small companies able to access the market as well. Thus, the Internet is overfull and to achieve a good attendance of a web page is very difficult.

2) Online ads and promotion

Promotion via the Internet has an advantage of connection of positive features of traditional media and new media. This kind of promotion is interactive, a customer can communicate with an advertising and get more information by a click on a button. Another advantage is the fact that a company can choose a target group which would be shown the advertising.

3) Use of e-mails

Promotion via e-mail, sending of information about products and news is a cheap way of promotion. However, frequent e-mail sending might have even negative result and annoy a customer. Therefore, companies using this tool should be very careful.

4) Online social networks

Social networks have become very popular and the number of their users grows from day to day. Connection of companies with the customers and building relationship with them via social networks is a big potential of their marketing communication.

Social networks

Social network is a service at the Internet which allows registered people to communicate with each other, share multimedia data, maintain relationship and entertain yourself and an effective tool of marketing communication of a company. According to Hoffman and Fodor (2010) the consumers are motivated to use social networks by four key factors:

- Connection
- Creation
- Consumption
- Control

It is obvious that the environment of social networks is mainly controlled by the consumers. Thus, the marketers are required to design and create a marketing campaign which would encourage the consumer to communicate with them and support the marketing objectives of the company. The mentioned objectives are:

Brand awareness- “Fostering the consumer’s ability to recognize or recall the brand within the category, in sufficient detail to make a purchase” (Kotler, Keller, 2012).

Brand engagement- Encourage the customer to support the success of the company.

Word of mouth- To achieve that the customers share the information with the others.

3.16 Drawing Method Using the Right-hemisphere

In 1979 Betty Edwards, doctor of arts, education and psychology, published for the first time her book *Drawing on the Right Side of Brain* in which she describes her method to teach anybody drawing. According to Edwards people do not need any special talent to be able to draw pictures of good quality as most of the population believes. She describes drawing as an activity and ability which can be learnt as well as reading, writing, driving and others. Generally people do not believe that they might be able to draw nicely because they can see that they are not able to draw at all right now. However, Edwards compares this approach with studying foreign languages. Do people give up and refuse to begin attending courses of French because of the fact that they do not know any French word at the moment?

The method of drawing created by Betty Edwards is based on a study of American neuropsychologist and neurobiologist Roger Sperry who discovered that functions of both halves of brain (hemispheres) are not identical but specific for each hemisphere of human brain. Sperry who received a Nobel Prize for his work explains that the major difference is the way of information processing of both halves of the brain. While the left hemisphere is a centre of verbal and analytical and rational thinking and process information unit by unit as a linear current the right hemisphere is a centre of visual perception, an intuitive part with the ability to process information as a whole.

Betty Edwards used these findings to create her method of drawing. According to her the whole ability of drawing is not based on people's hands and their strokes by a pencil but on the way people watch, see and perceive an object which they draw. Nowadays most of the people are educated through languages and used to solving their problems rationally and analytically. That is the reason why people are more focused on use of left hemisphere while right hemisphere is used very rarely. However, people used to process information by left hemisphere have a problem with the right perception of an object when drawing. For example left hemisphere is not able to correctly percept gaps between objects because a gap is nothing what can be really verbally named. Another problem is that people let their logic to influence their perception too much. Thus, people trying to draw a realistic object do not draw what they really see and percept but what their logic says to them the object should look like. Thus, Betty Edwards designed many

drawing exercises learning people to percept the objective in a different way and reduce the influence of their logical thinking.

Edwards compares the process of learning drawing to learning driving. Everybody has to master particular activities and achieve a state when a person does all the individual activities automatically. Edwards lists five basic component skills which have to be mastered to learn drawing. Surprisingly these are not drawing but perceptual skills- the perception of edges, the perception of spaces, the perception of relationships, the perception of lights and shadows and the last the perception of the whole or gestalt. These skills should be mastered in mentioned consequence. As mentioned above Betty Edwards design many drawing exercises leading to master all the five skills and to the ability to draw nicely in a very short time period (Edwards, 1999).

Figure 5 represents drawings of a person before and after the use of the right-hemisphere method. The picture on the left side shows the initial drawing ability of a person, on the right drawing ability after the use of the drawing method using the right hemisphere.

Figure 5- Drawings before and after the Course



Source: www.hochmalova.cz

4 Practical Part

4.1 Drawing Course Using the Right-hemisphere Method- Květuše Hochmalová

Name of the activity: Drawing course using the right-hemisphere method connected with self-confidence building

Provider: Květuše Hochmalová, entrepreneur, IČO: 42141877

Beginning of the activity: September 2002

Number of other lecturers: 3

4.2 History of Drawing Courses Provided by K. Hochmalová

Květuše Hochmalová used the method of drawing on the right hemisphere and connected it with her knowledge of human psychology and theory of life approach, self-discovery and self-confidence. The result was a new public course which she named Self-confidence- drawing on the right hemisphere. In 2002, Květuše Hochmalová organized, as an entrepreneur, her first courses of drawing combined with personal development.

Demand for the courses grew and Květuše Hochmalová not being able to cope alone, decided to start cooperating with two other entrepreneurs. She trained them, taught them her know-how in turn these two new lecturers (entrepreneurs) started to teach additional courses under the leadership, patronage, support and name of Květuše Hochmalová.

4.3 Marketing Mix

4.3.1 Product

At present, Mrs. Hochmalová provides nine different courses. All of them are based on drawing by various techniques and personal development, however, all main activities are focused on the crucial one which is the most popular and interesting one for customers- the already mentioned drawing course using the right-hemisphere method connected with building self-confidence.

Drawing Course Using the Right-hemisphere Method Connected with Building Self-confidence

The crucial course provided by Mrs. Hochmalová differs from the common drawing courses offered in the market. Participants of common drawing courses, painting courses or course of other kinds of art are offered an opportunity to develop their artistic skills. People can attend these courses, learn new techniques and methodology, however, any significant progress of their abilities will take a relatively longer time and any artistic school or lecturer cannot promise with any certainty that any student without an ability to draw will achieve good results in the courses. On the other hand drawing courses using the right-hemisphere method can promise that anybody even without any talent will be able to draw nice portraits by pencil after participation in the course. This three-day course is dedicated to adult people. Its aim is to teach people drawing by pencil, discover themselves and build self-confidence.

At the very beginning of the course, people draw their first portrait the best as they can. The first drawing is then compared with the portrait at the end of the course and shows how much progress the student has made. At the end of the first day people are able to draw a profile of a man with a use of a template. The second day the participants continue with drawing exercises and at the end of the day they draw a portrait of a celebrity, politician or a model with a use of a photograph of the same size as their paper is, normally A4. On the third day people are taught how to use a small photograph and enlarge it to A3. The participants usually leave the course with a self portrait and many advices for building their self-confidence. The course usually runs a place from Friday to Saturday.

The figure 6 on the left represents the ability of a particular participant of the course before the course (on the left) and picture on the right shows what the same person is able to draw after three days on the course.

Figure 6- Portraits Drawn by a Participant of the Course



Source: www.hochmalova.cz

Additional Courses:

Two-day Drawing Course Using the Right-hemisphere Method

Mrs. Hochmalová also offers two-day drawing courses using the right-hemisphere method to satisfy the customers who are not interested in the theory of self-development or psychology and customers who are not able or not willing to take a day off work to begin the course on Friday which is necessary in the case of the three-day course. The content of the two-day courses corresponds with the first two days of the three-day course with the exception that the two-day course is not combined with talking about psychology and self-development.

Drawing Course Using the Right-hemisphere method for Children

Is a two-day course for children using the right-hemisphere method. This course is adjusted to children of 8-12 years. During this course children learn to draw portraits by a pencil however, instead of the theory of self-confidence it is combined with games and

entertainment to make it more interesting for them. Children leave the course with a portrait drawn by themselves as well as the adults.

Drawing by Crayons

Drawing by crayons was the first additional course offered by Mrs. Hochmalová. Participants of this course learn mixing colours, perspective and technique of drawing by crayons. The participants create pictures of still life, nature, streets, etc. At the beginning the course was only for those who have already participated in course of drawing portraits where they learnt basics of drawing. At present there is not any drawing experience required from those who want to sign up any more.

Drawing by Charcoal, Drawing by Coloured Charcoal

Two-day course focused on techniques of drawing by charcoal or coloured charcoal. No drawing experience is required to participate in the course.

Individual Course, Course for Companies

All above mentioned courses can be organized individually. It means that an interested person orders a course arrange a date of the course with a lecturer and the lecturer comes to the house of that person and teaches him. The same services can order any company.

Drawing Course with Recreation

All above mentioned courses are also organized in a combination with recreation and free-time activities. In this case the courses last five days. Because of the fact that this kind of course is more time demanding there is accommodation organized for the participants with full board. Program of this course are the drawing classes for a half of the day and then there are organized trips to a castle, rafting, walking or barbecue.

Course of Body Language

Is the only provided course which is not focused on drawing. Participants learn to read and understand non-verbal communication. They learn to recognize various signs, gestures, postures and features in faces and find a message which they hide.

Květuše Hochmalová offers various courses, however, as it was already mentioned above the major business is the drawing course using the right-hemisphere (drawing portraits). It is the only course where participants make such an enormous drawing progress. All the other courses are focused rather on techniques of use of a particular drawing tool (crayons, charcoal, coloured charcoal) than the techniques of drawing alone. Thanks to the uniqueness of the course of drawing portraits and its ability to promise such good drawing results make the course very interesting and attractive for people. That is the reason why Květuše Hochmalová focuses her major activity on this course. Thus, the whole practical part of this master thesis is related to the drawing course using the right-hemisphere method (drawing portraits) connected with building self-confidence.

4.3.2 Price

Mrs. Hochmalová offers three-day drawing course which is not really common in the market as the market research showed. Most of the providers organize only two-day courses, offer of three-day courses appears only exceptionally. This fact represents for Mrs. Hochmalová kind of disadvantage in the case of price competition because an organization of three-day course requires higher costs which are reflected in higher price. Prices of two-day courses offered at the market start on 1,500 CZK and grow to 2,800 CZK. The average is represented by 2,100 CZK. Květuše Hochmalová offers her three-day courses for 3,100 CKZ. In the case that a couple (family, friends, etc.) enrolls in the course they receive a discount of 600 CZK. Afterward they pay 2,800 CZK per person.

Still price of drawing course provided by Mrs. Hochmalová belongs to the highest. Her reason is that the higher price makes her able to provide high quality of the course and make customer realize that he will receive high quality.

4.3.3 Place

The whole course is outlined only for three days. The program of every day consists of consecutive drawing exercises which have the only goal- to be able to draw a portrait the third day. Because of the fact that the course is not designed for repeated participations of the customers Květuše Hochmalová has to meet new customers for the same course frequently in a short time. For these reasons she does not have any own business place, school or classroom. She travels with her course all over the Czech Republic and rents a classroom only for the time of duration of the course. The courses are

always planned half a year in advance. They are regularly organized on nine places- Plzeň, Klatovy, Rakovník, Slaný, Liberec, Hradec Králové, Chrudim, Olomouc and Ostrava. In addition to these places the courses are also organized for groups of people which order the course to take a place in their town.

4.3.4 Promotion

The theoretical part of this diploma thesis describes six major parts of marketing communication. These are advertising, sales promotion, public relations, personal selling, direct promotion and the internet communication. Mrs. Hochmalová does not use all of them. She mostly relies on the Internet, particularly on the web pages, and expects the best results of this tool. However, the main part of the budget for marketing communication was spent for advertising particularly in the articles in magazines. In 2013, the entrepreneur invested in promotion 95,545 CZK and in 2014 was the amount equal to 70,000 CZK.

ADVERTISING

The only advertising tool used by Mrs. Hochmalová to promote her course is press advertising. Published advertising and articles in magazines in 2014 cost 71% of the marketing communication budget.

Every month Mrs. Hochmalová advertises her courses in two magazines- Regenerace and Meduňka. These magazines are thematically focused on alternative medicine, natural treatment, way of life which is more connected with the nature, use of herbs and healthy food. These two magazines are published every month and sold all over the Czech Republic.

To spread the information about the method of drawing using the right hemisphere Mrs. Hochmalová uses articles in magazines which are able to introduce and describe the course and its results and impacts and to influence the readers more emotionally. The magazines used for the advertising usually cover the whole Czech Republic.

Flyers

Flyer was the first tool Mrs. Hochmalová started to use for promotion of her courses. Simple black-and-white printed flyers were placed in various shops, hairdresser's, beauty salons, leisure centres, etc. At present Mrs. Hochmalová uses a coloured flyer containing all necessary contacts which she gives to her audience after her presentations. The owners of the schools or classroom which Mrs. Hochmalová rents for her courses usually display the flyers in the place as well. Various language schools or other partners place the flyers in their establishment.

Figure 7- Flyer Promoting the Course



Source: Material provided by the entrepreneur

SALES PROMOTION

At present Mrs. Hochmalová uses two tools of sales promotion, both of them relatively low cost. The aim of the first one is to attract new customers. It is represented by discount of 600 CZK for customers who sign up for the courses as a couple (partners, relatives, friends, etc.). The final price for the drawing course after this discount is 2,800 CZK per person instead of the original price 3,100 CZK per person. Information about this discount is written on the website of Mrs. Hochmalová.

The second tool of sales promotion is represented by a voucher which receives every participant of the course. This voucher enables every participant of the course to get discount of 200 CZK for any course which Mrs. Hochmalová offers. In this way the interest in the additional courses is supported.

Two years ago Mrs. Hochmalová also organized a contest for free participation on the drawing course which was not really successful. The contest was announced on the Facebook profile of the course which had only 150 fans at that time, no additional promotion of the contest was used and only two people participated.

THE INTERNET

Mrs. Hochmalová uses the Internet for her webpage which is available at www.hochmalova.cz and social networks Facebook and YouTube to support promotion of her course.

Website

Website www.hochmalova.cz is designed to provide information about all courses offered by Mrs. Hochmalová and her colleagues. The webpage describes all offered courses, presents the method of drawing with the use of right hemisphere, describes content of the courses and explains the way the lecturers combine drawing and talking about psychology to support participants' self-development and self-confidence. Customers can also find drawings of people who have already passed the course which were drawn the first day of the course and the last day of the course and show the progress of the participant. The website also informs about dates and places of the course, lecturers' contact, references of some participants, articles written about the courses and information about the lecturers.

The website was launched in 2004 and since that time the same design and structure of the website has been used till now. The website has been slowly growing with the growth of the offer of Mrs. Hochmalová without any significant change or redesign. The pages are on average visited by 1800 visitors per month.

Mrs. Hochmalová nor the other lecturers are able to make changes at the website or to update it. It is administrated by a private person who is not professional webpage

designer. Thus, the most actual techniques were not used to design the website. For this reason the website also does not include any booking form which would enable any customer to sign up for the course directly on the website. The customers are forced to find a contact for a lecturer and address him using the contact. Thus, Mrs. Hochmalová loses information about people who really bought the course (from which website they came, how they behaved on the webpage, how long time they spent there, whether they bought the course during their first visit of the website or whether they returned, etc.). This kind of footprint leaves every user of any website, however, without the booking form it is not possible to recognize the visitors who really bought the course.

Facebook

Facebook profile of drawing course of Mrs. Hochmalová was launched in October 2010. It has more than 550 fans, 88% of them are women, the biggest share of the fans (26%) are women of the age 35-44 and then of the age 25-34 (22%). However, approach of the lecturers and Mrs. Hochmalová, administrators of the profile, to this tool was very passive for the first three years. Since 2014 the lecturers has started posting variable drawings from the courses, articles and short movies connected with drawing and teasers to attract their fans who might share their posts and thereby support promotion of the courses. As a result the administrators noticed higher response and more open communication with the fans. All the activities connected with Facebook were done to take an advantage to support awareness of the courses free of charge.

In December 2013 Mrs. Hochmalová advertised her courses via Facebook for the first time. It was an advertising trying to persuade people to buy a voucher for the drawing course as a present for Christmas. Because of the fact that the voucher could have been bought by anybody Mrs. Hochmalová did not closely specified the audience who should have been targeted. When setting the advertising she only limited the age of the targeted audience from 25 years old because of the price of the course which is probably too high to be paid by younger people. Results of the three weeks advertising were 50 new fans of the profile (34% growth). Nevertheless, it is not possible to establish the number of people who bought the voucher as a respond to the advertising because the webpage of Mrs. Hochmalová does not contain any order form which would be able to make evidence.

YouTube

In 2009 Mrs. Hochmalová published her first short movie on YouTube with the aim to attract new customers. It was a speeded up portrait drawing accompanied by a song and speech of Mrs. Hochmalová trying to inform the audience that everybody is able to learn portraits drawing after participation in her drawing courses. This trailer has been seen by more than 80,000 people.

In 2014 a new trailer was published. It is designed as a comic trailer with James Bond agent 007 who was charged to unravel the mystery that everybody is able to draw portraits in the Czech Republic. The trailer was made of various portraits and photos from the course. After a year of its appearance on YouTube it was seen by 2,741 people.

DIRECT MARKETING

Public Presentations

Mrs. Hochmalová and her colleagues regularly take a part in international esoteric festival called Miluj svůj život (Love Your Life) where they occupy a class room for an hour and present their course to the visitors. The festival takes a place once a year in Prague, once a year in Pilsner and usually last three days (Friday-Sunday).

Apart from the esoteric festival the lecturers make public presentations in the surroundings of the towns where their course takes a place. The presentations are given in various tea shops, leisure centres or cultural centres. During the year 2014 approximately 15 presentations took a place. On this kind of promotion the lecturers appreciate the possibility of close personal interaction with people who are interested in the topic.

4.4 Situation Analysis

Situation analysis describes forces of external and internal environment which influence the results of the business of the drawing courses using the right-hemisphere method.

4.4.1 Analysis of the Competition- Porter Five Forces Analysis

Porte five forces analysis describes five basic forces which influence the profit potential of the industry of drawing courses using the right hemisphere method. These

forces are represented by threat of new entrants, bargaining power of buyers, threat of substitute products or services, bargaining power of suppliers and rivalry among existing competitors.

Threat of New Entrants

The barriers to entry the industry are low. The capital requirement to start the business is low. A person interested to start a business in the industry needs to rent a classroom for a few days where the drawing course would take a place and invest in paper, pencils and other drawing aids, templates, office supplies and web pages which make people know about the provider. Cost of all these mentioned items is low. The service differentiation is low as well because the providers use almost the same method developed by Betty Edwards to teach people drawing. The industry does not have any significant limitations by distributions channels or government policy. All these mentioned factors make the force of entry of new competitors high which is not positive for the entrepreneur.

Bargaining Power of Suppliers

Because of the fact that the analysed industry is focused on services using only assets and inputs of low value the business of the companies is not existentially dependant on any supplier. The suppliers are not concentrated, the switching cost is low because the companies do not need any specific or unique product and the price is also in relatively low numbers. Thus, the bargaining power of the suppliers is low and this fact makes the industry more attractive.

Bargaining Power of Buyers

The situation of bargaining power of buyers is very similar to the case of suppliers. The buyers are not concentrated and because of the character of the service provided by the industry the probability of appearance of a big total purchase done by a buyer is very low. However, the customers can easily buy a service of any other provider because of its low differentiation. Also in this case the force bargaining power of buyers is low.

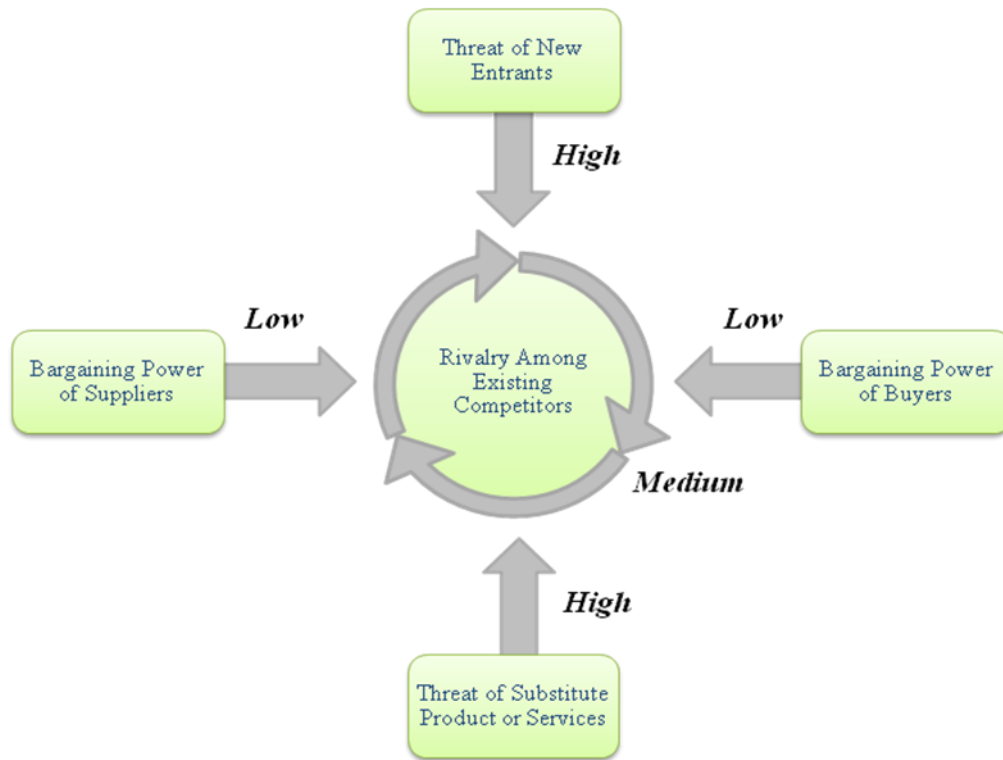
Threat of substitute services

The threat of substitutes for drawing courses using the method of right hemisphere is high. The reason is that the market is full of offers of leisure time activities or educational activities. People have a large selection and they can easily choose different option.

Rivalry among existing competitors

There is a lot of providers of drawing courses in the industry and this fact higher the rivalry. However, their size and power varies. There are bigger competitors as schools providing also various artistic courses which support the business in the case that the attendance of drawing courses using the right hemisphere is not sufficient and there are also small entrepreneurs who are not existentially dependent on the courses because they consider this business as hobby and a kind of extra earning to their common job. The service is not differentiated and the exit barriers are very low. Nevertheless, in this case the rivalry among existing competitors is evaluated as medium.

Figure 8 – Strength of Forces Influencing the Competition in the Industry



Source: Own processing

Results of the Porter five forces analysis showed that the biggest threat in the industry is a substitute of the service which is followed by the threat of entry of new competitors. Mrs. Hochmalová should overcome this situation with a strategy which would spread the information about her courses and she should also build-up a brand which would be perceived as a brand of good quality to be competitive in this kind of industry.

After consultation with the entrepreneur and on the base of the gained information three main competitors were chosen and described below.

Serafin

Educational institution Serafin has been operating in the market since 2005. Since that time it has attracted about 7,000 customers. Serafin provides drawing course using the right-hemisphere method in six cities or towns in the Czech Republic- Prague, Kutná Hora, Telč, Olomouc, Ostrava and Frýdek- Místek and it also operates in Slovakia. In the Czech Republic Serafin concentrates mainly on Prague where it has its own school. This fact

enables Serafin to offer also attendance courses which bring the opportunity to establish relationship with the customers and make them return. The institute does not concentrate only on drawing courses using the right-hemisphere method but it also offers courses of painting, sculpture, theory of painting, pottery, singing and others. Serafin has also received accreditation by Ministry of Education, Youth and Sports.

Focused on drawing courses using the right-hemisphere Serafin offers compared to Květuše Hochmalová only two-day courses. It means that the participants miss the whole program of the third day when they draw themselves and are taught to use smaller photograph than their paper is and enlarge it to A3. Serafin's drawing courses are focused only on drawing, they are not connected with self-discovery and self-confidence building. Nevertheless the price of Serafin's two-day courses is only by 300 CZK lower than Hochmalova's three-day courses. However Serafin's fundamental advantage is its bigger promotion which consists of TV and radio interviews, articles in magazines and also significant support of its patron TV presenter Jolana Voldánová.

Alena Andrysová

Has been providing drawing courses using the right-hemisphere method since 2006. Her activities are focused on Prague where she offers various drawing courses. Mrs. Andrysová adapted the method of right hemisphere in a different way, she processed the theory and practise in several courses of different levels in which the participants can make a very big drawing progress however a portrait is not their result. A portrait is a content of the third level of the course. The first level is focused on studying of the right perception of a drawn object, its space and proportions. Second level engages in lights and shadows and the third course finally focus on drawing of portraits. This kind of sequence enables Mrs. Andrysová to make participants of her courses to return. Price of two-day course of Mrs. Andrysová is 2 400 CZK.

Opravdový Svět (The Real World)

In 2010 Martina Šopfová Bajerová opened her drawing and personal development centre in Brno and called it Opravdový svět (The Real World). Offer of the centre is focused on drawing courses mainly on drawing courses using the right-hemisphere method but it provides sessions about self development as well. Drawing course using the right-

hemisphere method in this centre takes three days. It means that courses of M. Šopfová Bajerová also include the not usually offered third day when the participants are taught to draw a self portrait with the use of smaller photograph and enlarge it to their paper. The courses are also supplemented by a theory about self discovery and personal development. These two facts make the courses of Květuše Hochmalová and Martina Šopfová Bajerová very similar. Furthermore, participants of courses in Opravdový svět pay for the service by 300 CZK less. However, the competitor compared to Mrs. Hochmalová focuses on a smaller market. Martina Šopfová Bajerová does not travel with her courses to cover larger market and to meet more customers. Her courses take a place only in Brno and Uherské Hradiště. Nevertheless, this fact makes from Opravdový svět strong competitor for the region of Brno who has an advantage of the possibility to focus all promotion and activities connected with promotion on this market.

Interesting contribution of the analyses of the competitor is the idea of cooperation on the project Rodinné pasy (The Family Pass) which allows families registered in the project to receive sale of 10% for the courses.

Discount Portals

Web portals offering significant discounts of various products and services tend to be very popular at present in the Czech Republic. Companies or providers usually let the discount portals to offer and sell their products or services with a significant discount which attracts the customers. Promotion of the offer is managed by the discount portals and the companies pay for the arrangement certain percentage of the sales.

Offer of drawing courses on right hemisphere represents a potential threat for Mrs. Hochmalová. There are providers of drawing courses who do not use discount portals just one-time or occasionally with the intention only to support and promote their business. Their business is often even based on the attractiveness of the discount which often lower the price of the courses down to 900 CZK.

4.4.2 Marketing Research

A marketing research was done to get necessary information for the practical part of this diploma thesis. The research using a questionnaire was focused on the participants of the course.

Questionnaire

The questionnaire for the participants of the courses provided by Mrs. Hochmalová consisted of sixteen closed, semi-closed and open questions and questions using a scale to evaluate. The proposed questions were discussed with Mrs. Hochmalová and she also expressed answers which she expected. Before the official beginning of use of the questionnaire and before the official beginning of the data collection the questionnaire underwent a pilot test to reveal any possible mistakes in the research and any conceivable misunderstanding questions. After any corrections the final version of the questionnaire was prepared and used to question the participants of the drawing courses from September 2014 till the end of December 2014. A hard copy of the questionnaire was given by the lecturer to every participant by the end of the course and afterwards collected. 141 people were asked to fulfil the questionnaire and all of them did so.

Aim of the Questionnaire

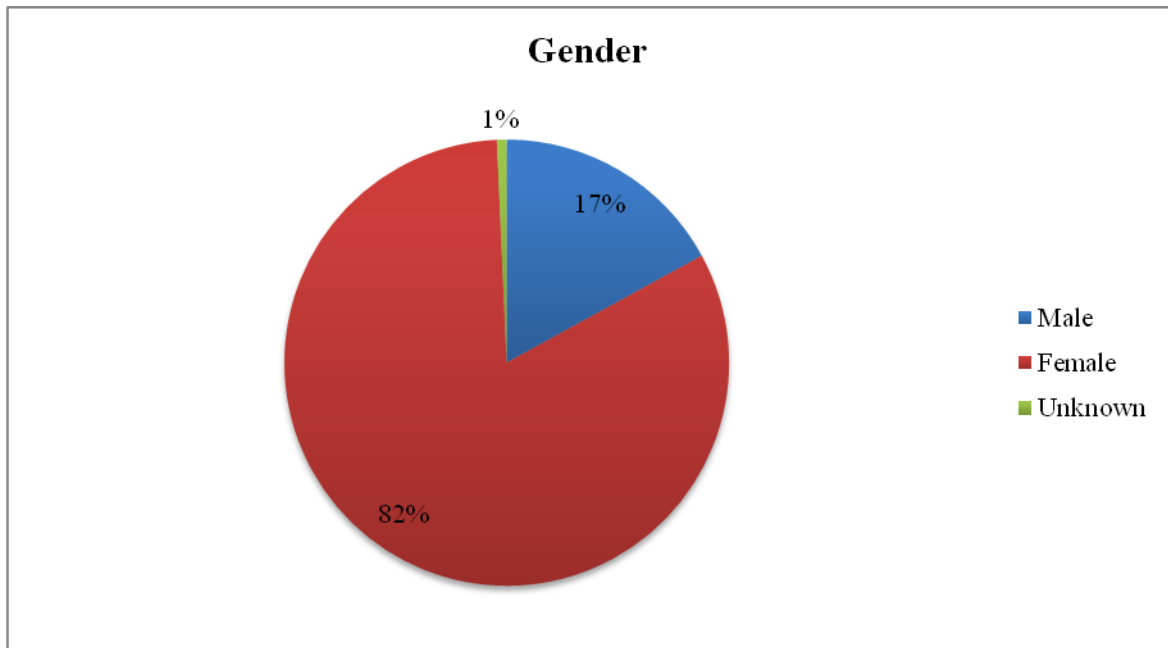
The questionnaire was designed for participants of the drawing course using the right-hemisphere method. Its aim was to identify typical participant of the course to know what kind of customers should be targeted when doing any changes of the service or the promotion. The other aim of the questionnaire was to reveal the possible shortcomings which might cause that the drawing courses are not as attended as Mrs. Hochmalová expected. To do so the satisfaction of the participants of the courses with the marketing mix of the service was examined and last but not least aim of the research was to find the most common way how the participants usually get know about the method of drawing and about the courses and what kind of marketing communication tool used by Mrs. Hochmalová is the most effective and let people know about her courses. It is also very important to know which aspects usually make the participants decide to choose courses of Mrs. Hochmalová to be able to support these elements and be aware of strengths of the courses.

Results of the Questionnaire

The first question referred to the gender of the participants of the courses. Results of the questionnaire confirmed statement of Mrs. Hochmalová that the majority of the participants of the drawing courses using the method of the right hemisphere are women.

As the pie chart below shows 82% of the participants of the examined period were women, 17% were men and 1% did not state.

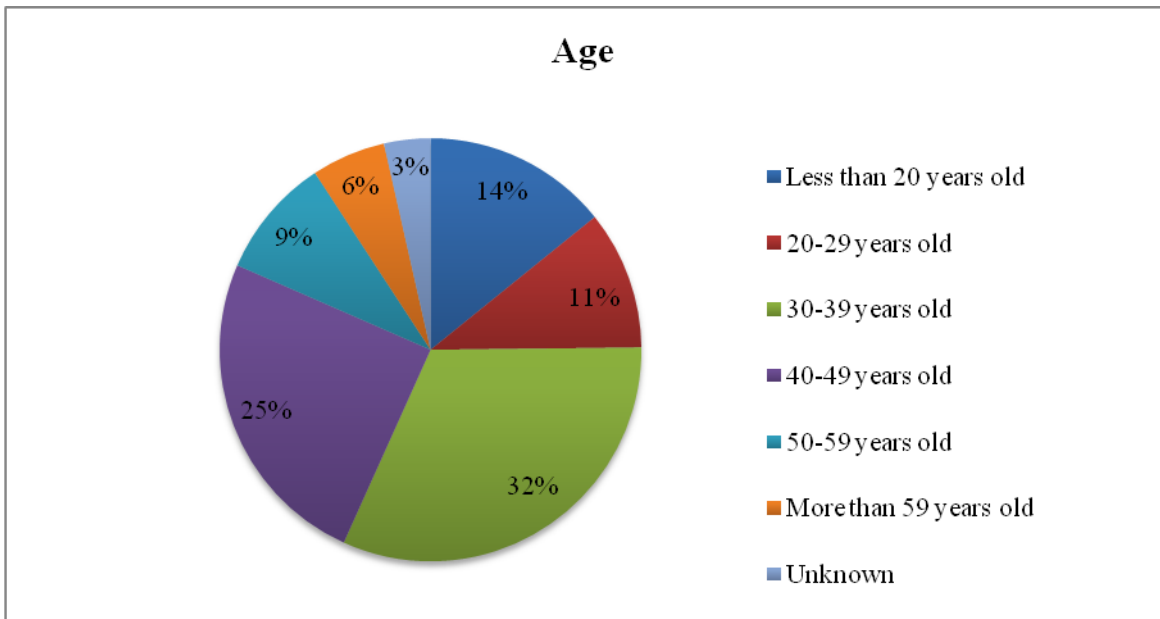
Graph 1- Gender of the Participants



Source: Author's survey, 2014

The second question should have revealed the most common age of the participants. Mrs. Hochmalová explains that the course is designed to be interesting for all age groups. According to her there is not any major age group among the participants of the course and because of this reason she has never adjusted the service or the way of its promotion to any age group. However, results of the questionnaire say the opposite. As the pie chart below shows more than a half of the participants is belongs to an age group of 30-49. The largest representation of 32% has the group of the age 30-39.

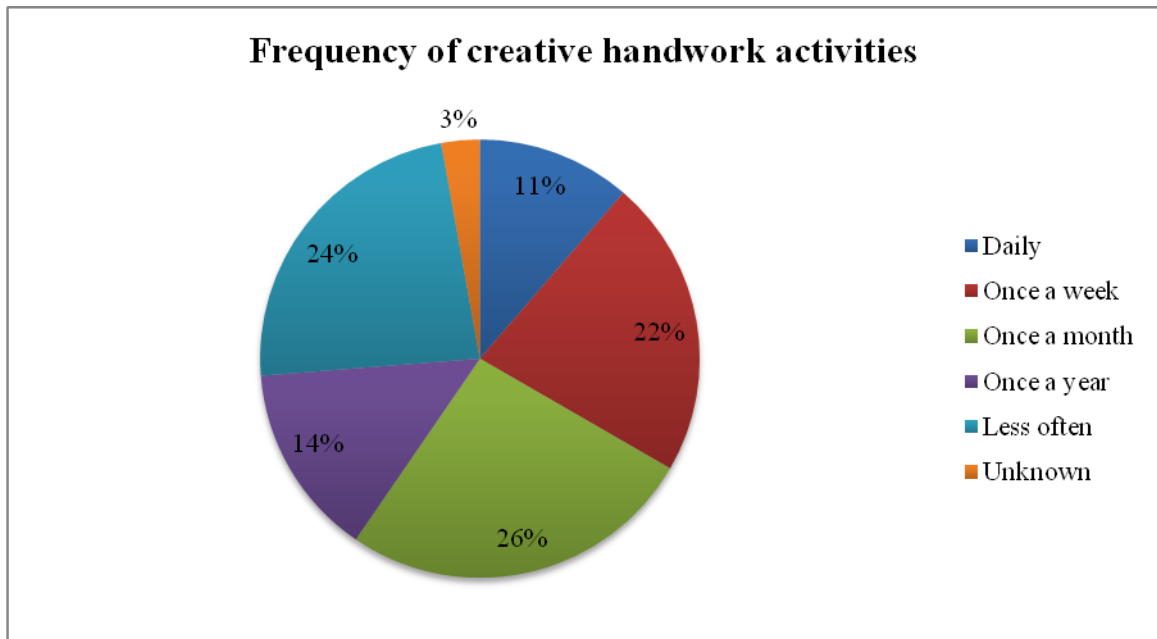
Graph 2- Age of the Participants



Source: Author's survey, 2014

Interesting information about the participants is whether the interest in the drawing course is connected with general interest of the participants in creative handwork activities. It is probable that people whose hobbies are creative handwork activities might represent the majority of participants of the drawing course. However, the results of the questionnaire show that 38% of participants of the drawing course pursue creative handwork activity only once a year and less. This fact might indicate that a significant part of participants of the course signed up out of curiosity or was attracted by the “challenge” to learn an activity which is supposed to be mastered only by talented people. On the basis of this result it is possible to say that the courses of drawing using the method of right hemisphere are not attractive only for people interested in creative handwork activities and this fact widens the group of potential customers of the course.

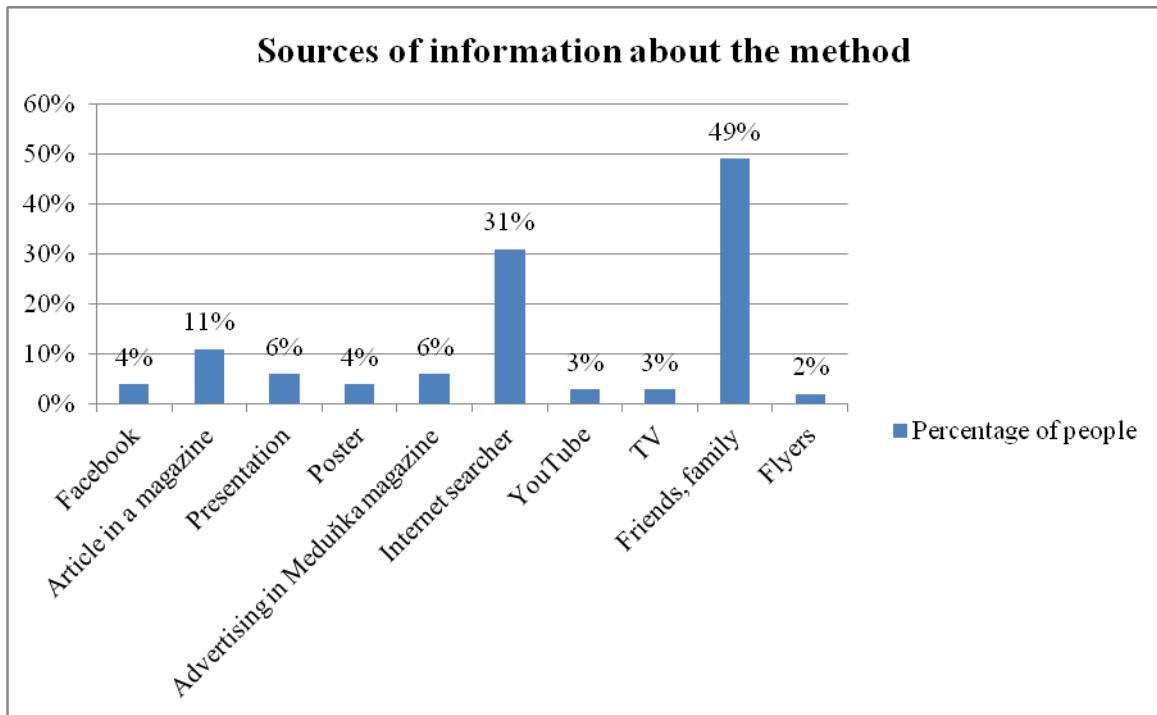
Graph 3- Frequency of Participants' Creative Handwork Activities



Source: Author's survey, 2014

Results of following question inform where participants of the drawing course had come across information about the method using the right hemisphere for the first time and reveals what kind of communication tool is generally the most powerful in this field. The majority of the participants got the information about the drawing course using the right-hemisphere method from their families and friends 49% for the first time, the second most answered option was the internet search 31%. Far behind was an article in a magazine with 11%. The percentages of people who answered the other options were lower than 10% for each. The high number of people who choice the option family and friends and internet search and very low number of answers of the other tools might be an result of two reasons. The first is that companies and entrepreneurs operating in this field do not generally use advertising a lot. With this option agrees Mrs. Hochmalová. The second option is that there are some competitors who use advertising and other tools for promotion much more, however, people influenced by this concrete competitor does not look for other options, choose the drawing school they were attracted by and do not attend course of Mrs. Hochmalová.

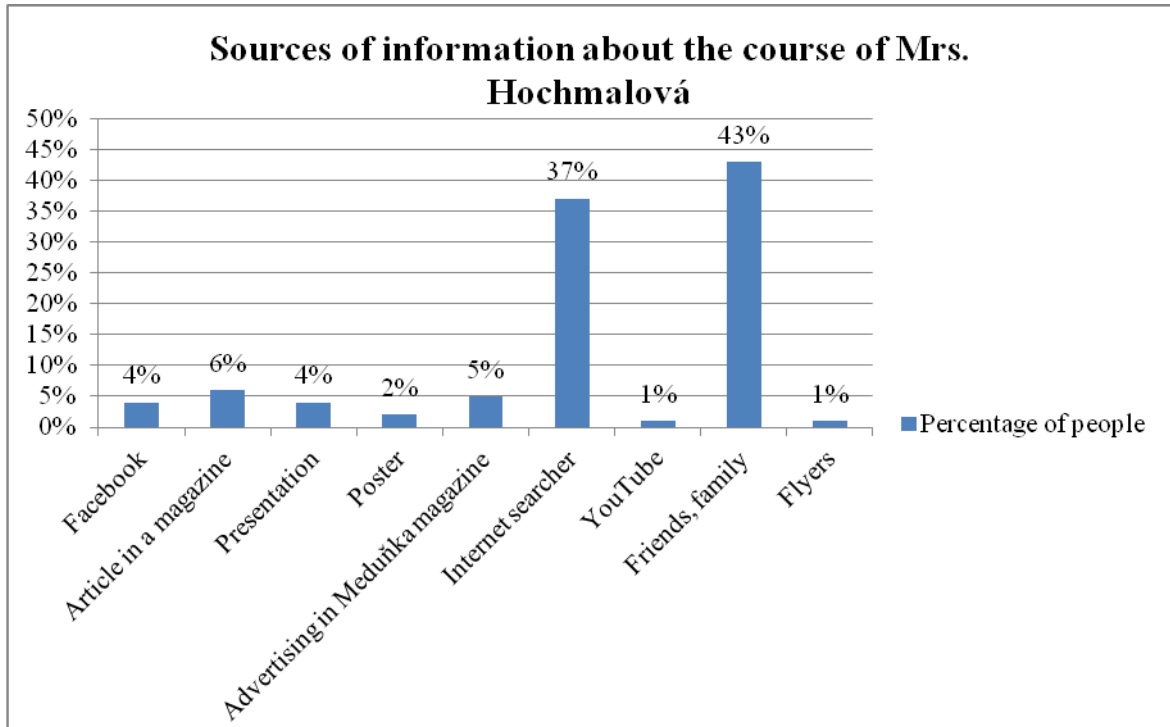
Graph 4- Sources of Information about the Method



Source: Author's survey, 2014

Answers to the question about the sources of information about the course of Mrs. Hochmalová were very similar to the sources of information about the method generally. In the first place with the most often answers was the option family and friends with 43% and in the second place the option internet search with 31%. In this case it is proved how powerful the word of mouth is because 31% of the respondents checked in the previous question an only option-“family and friends” and then answered the question about sources of information about the courses of Mrs. Hochmalová in the same way. It means that word of mouth is powerful so much that 31% respondents did not look for any other option when they heard about the courses for the first time and directly choice the courses of Mrs. Hochmalová. However, it is possible to notice another fact. Comparison of graph 4 and graph 5 shows another interesting trend. The percentage of participants reached by various communication tools in previous question decreased in all cases regarding the question about the sources of information about courses of Mrs. Hochmalová with the exception of internet searcher which increased. This fact might indicate that people getting known about the drawing method using right hemisphere tend to search more information at the internet and good web pages could significantly influence the decision of the potential customers.

Graph 5- Sources of information about the course of Mrs. Hochmalová



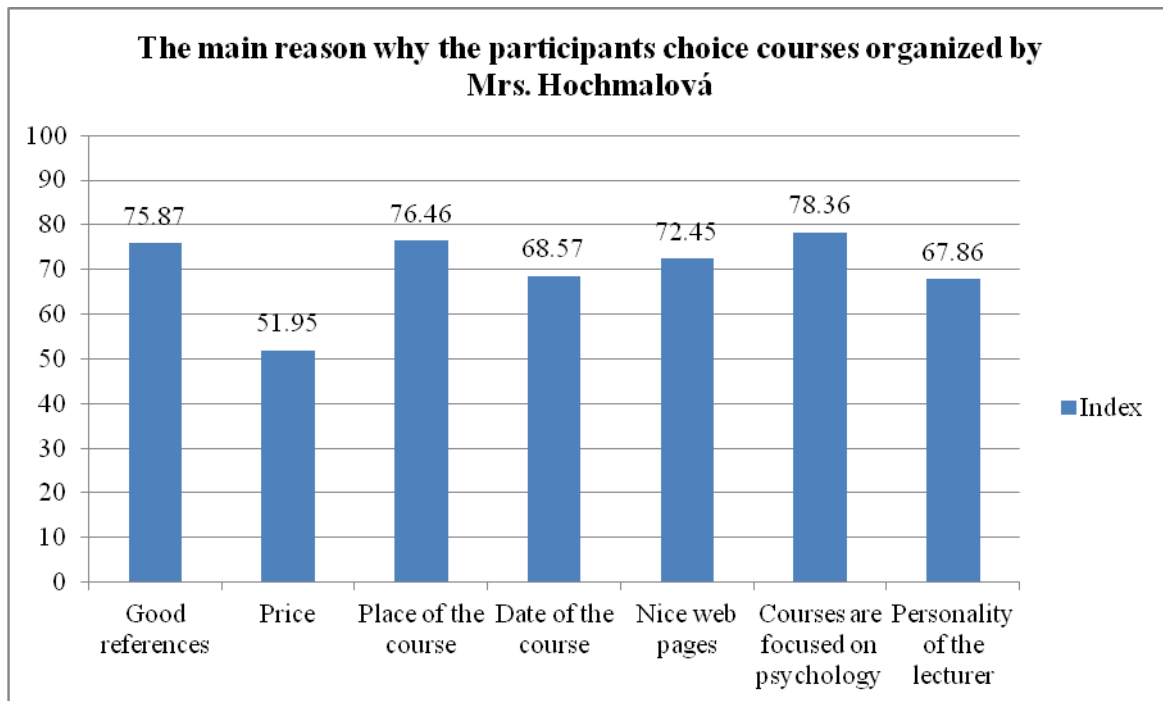
Source: Author's survey, 2014

Results of following questions show that only 30% of the participants of the drawing course compared the offer of Mrs. Hochmalová with other providers. Surprisingly 85% of them were not able to answer names of other providers they compared the offer with. It might be caused by a possibility that people viewed the internet pages of the providers very cursorily or that the providers of the courses are not easily recognizable. This fact is confirmed by the analysis of the competition which shows that most of the providers do not use any brand as a company, do not have any logo and generally mention their names only in the item “contact”. Those who mentioned the name of provider which they considered answered the school Serafin 6% (out of those who compared the providers) and Mrs. Andrysová 1%. This fact might mean that Sarafin has an attractive offer or using a name as a company and logo makes it more recognizable.

Strengths of courses provided by Mrs. Hochmalová should have shown the question “What is the main reason why you choice a course organized by Mrs. Hochmalová?” which was dedicated for those who answered that they compared more providers. The graph below shows that differences between the factors are small. Most

important for the people who were not decided from the first time was the fact that courses of Mrs. Hochmalová are focused on psychology.

Graph 6- Reasons of the choice of the course organized by Mrs. Hochmalová



Source: Author's survey, 2014

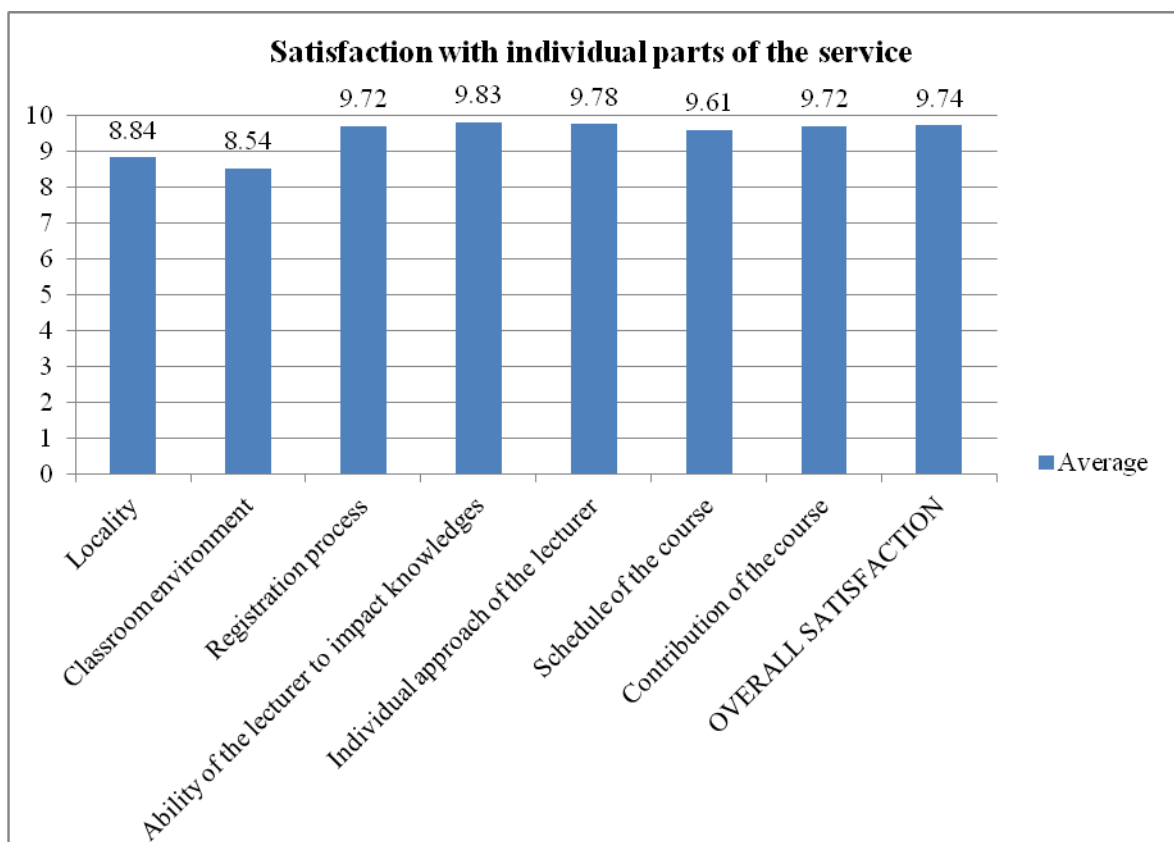
Very positive results brought a question whether the participants consider the price for the course appropriate to the value they received. 94% of respondents answered “yes”. Afterwards the respondents were asked “What is the maximum price you would pay for the course after your experience?”. 4% of respondents would pay lower price than they did, 31% of respondents wrote a higher price than they paid, the rest would pay the same amount of money. This is a very positive result however, even if a big part wrote that they would pay more the respondents answered on the basis of their experience which does not have a person choosing a drawing course. It means that people not having the experience with the course might be more price sensitive and higher price might discourage them.

Following question was asked to examine loyalty of the customers and show how satisfied the customers of Mrs. Hochmalová were and how much they would support her course and recommend it to their friends. In this case net promoter score (NPS) was used. Share of promoters was 82.27%, share of detractors was 3.55%. After subtraction of these

two figures was reached the final NPS which was equal to 78.72 in this case. NPS exceeding the value 50 is interpreted as excellent. In this item Mrs. Hochmalová reaches very positive results. However, it is necessary to be aware of the fact that the customers answered immediately at the end of the course when they were still full of emotions. The results of NPS might be a little bit lower when asking the people after some time. Nevertheless, the result would be still very positive.

All parts making the service for the customers had to be examined to find all potential shortcomings which might influence the satisfaction of the customers. The highest mark which an individual component could have received was 10. As the graph below shows the satisfaction of the customers is very high. Only locality and classroom environment received less than 9 points in average which is still a good result.

Graph 7- Satisfaction with components of the service



Source: Author's survey, 2014

The questionnaire is finished by four open questions to give space to the participants to mention what they want to mention. First two open questions were: “What

did you appreciate at the web pages of Mrs. Hochmalová?” and “What should Mrs. Hochmalová change at her web pages?”. 30% of respondents appreciated the examples of drawings. The share of the others options was lower than 10% for each. The reactions on the possible improvement of the web pages were much lower. Only 5% suggested some changes. Those were better arrangement 3%, better graphics 2% and information about the address of the place where the courses take a place 1%.

Following two questions were: “What surprised you at the course in a positive way?” and “What could Mrs. Hochmalová improve at her course?”. The positive answers were more frequent than the negative ones as in the case of the previous two questions. In a positive way 18% of the respondents appreciated the performance of the lecturer, 16% emphasized the good atmosphere at the course, 11% were surprised that everybody is able to achieve to draw a portrait, 5% appreciated the progress they did and 2% liked the talking about psychology. In the case of possible improvements only 4% of the respondents mentioned that they would appreciate more space for drawing. The frequency of all other answers was not significant.

Summary of the Results of the Questionnaire

Results of the questionnaire describe the typical participant of drawing courses organized by Mrs. Hochmalová as a woman who is 30-49 years old and who really does not have to be interested in creative handwork activities.

As the most powerful tool which spreads the information about the drawing method using the right hemisphere was established the word of mouth and the internet searcher. The best results out of the other tools achieved the articles in a magazine however, far behind the first two places. It is evident that the participants were not reached by any form of paid advertising in a significant way. In the case of the sources of information about courses of Mrs. Hochmalová the results were very similar.

Participants who compared the offer of Mrs. Hochmalová with other providers were represented by 30%. However, only 7% out of them wrote what provider of the courses they compared the offer of Mrs. Hochmalová with. Most of the respondents wrote that they had choice courses of Mrs. Hochmalová because her courses are focused on psychology. Nevertheless, the results were very similar.

A positive results was represented by 94% of the participants who answered that the price for the course is appropriate to the value they received. Even more positive is the value of net promoter score which was on the level of excellent. The provider can expect that 82% of the participants will really recommend her courses.

Regarding the individual parts of the service the results were very positive as well as the overall satisfaction.

The respondents appreciated examples of the drawing at web pages and generally emphasized the quality of the lecturer and the atmosphere of the courses.

4.4.3 Resources and Competencies Analysis

Resources and competencies are crucial factors of competitiveness of a company and an important base of strategy of an enterprise. The most important resources of business of Mrs. Hochmalová are experienced lecturers with good knowledge of their field and psychology, good quality of the service and a good reputation the major competency is its adaptability and mobility.

Resources:

Responsible and experienced lecturers with good knowledge of their field and psychology

Mrs. Hochmalová carefully chooses the entrepreneurs that she wants to cooperate with and teaches them her know-how. Nine years ago she trained her first two lecturers, four years later another lecture was accepted and the last lecturer was trained two years ago. During the whole time only one lecturer has ceased cooperation. Good, experienced and enthusiastic lecturers are crucial for success of this business because the performance of the lecturers directly influence the satisfaction of the customers. The lecturers trained by Mrs. Hochmalová are experienced, are good at teaching, have a good approach to their job, are interested in their field and keep educating themselves. The results of the questionnaire fulfilled by the participants of the courses also give evidence about these facts.

Good quality

Mrs. Hochmalová carefully worked out the content of the course and all factors which influence the quality of the service. The entrepreneur makes an effort to provide to

the customer the best quality from the first moment the customer gets in touch with the service including fast order process, web page with a lot of information also for the participants, tea, coffee and hot chocolate at the course, possibility to order a pizza for lunch at the course, etc.

Good reputation

Good reputation is a crucial factor of success of a business. The results of the market research evidence that the participants of the courses are satisfied and recommend the courses to other people.

Competences:

Adaptability and mobility

The team of Mrs. Hochmalová is adaptable and really mobile. Because of this fact the customers can be met all over the Czech Republic and the business is not limited by a small geographical area to meet the customers.

The table below contains combinations of evaluation of resources and competences. Result of two of them is a competitive parity, one of the resources causes temporary competitive advantage and one of them even relatively permanent competitive advantage. It is a positive result which influences significantly the competitiveness of the business.

Table 1- Evaluation of Resources and Competences

Resource/ Competence	Valuable?	Uncommon?	Hardly copied?	Irreplaceable?	Impact	The resulting Behaviour
Experienced lecturers	yes	No	no	yes	Competitive parity	Average profit
Good quality	yes	Yes	no	no	Temporary competitive advantage	Average or outstanding profit
Good reputation	yes	Yes	yes	yes	Relatively permanent competitive advantage	Outstanding profit
Adaptability and mobility	yes	No	no	no	Competitive parity	Average profit

Source: Own processing

4.4.4 SWOT Analysis

Following strengths and weaknesses of internal origin and opportunities and threats of external origin are determined on the basis of micro and macro environment analysis marketing research and market research.

Figure 9- SWOT Matrix applied on the business run by the entrepreneur

<p>STRENGTHS:</p> <ul style="list-style-type: none"> • Service differentiation- content of the third day, combination with psychology • Adaptability- courses organized in many places of the Czech Republic according to the demand • Good quality service • Experienced and very good lecturers • Cooperation of the lecturers (entrepreneurs) 	<p>WEAKNESSES:</p> <ul style="list-style-type: none"> • No strategy used to run the business • Disorganized, ineffective propagation • No name of the group- no brand, no logo • No offer of long term courses- necessity to attract new customers in very short time period • Few lecturers
<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> • Cooperation with marketing agencies • New ways of effective low cost propagation • The interest in self-development and self-discovery is increasing • Higher demand for services- people look for something new • Smaller towns which do not provide a lot of opportunities regarding the services • Companies invest in teambuilding 	<p>THREATS:</p> <ul style="list-style-type: none"> • New competitor who offers three-day courses • New competitor who includes psychology in the courses • A competitor with high investments in propagation of the courses • Economic crisis

Source: Own processing

Strengths

Mrs. Hochmalová and Opravdový svět (mentioned in chapter 4.4.1) are the only providers of drawing course using the right-hemisphere method who offer the third day

which content is to teach the participants to draw a self portrait on a paper of the size A3 with the use of smaller photograph. Also the supply of drawing course combined with talking on the topic of self-development and self-confidence is very small. These factors vary courses of Mrs. Hochmalová from the competition and give her an advantage.

Course of Self-confidence- drawing by right hemisphere are organized all over the Czech Republic. It takes a place in nine places regularly, however, if there is a group or a single person who wants the course beyond offered dates and places there will be a lecturer sent to the customer. This system is a kind of adaption to customers' needs and customization of the supply which brings the opportunity to attract and meet much more customers.

The lecturers cooperating with Mrs. Hochmalová are well trained and experienced which is also reflected in satisfaction of the customers proved by the results of the questionnaire who emphasized the performance of the lecturer. The course is designed to give to the customers service of the best quality. In this way the course achieves success, results of the marketing research showed that the customers are satisfied.

Weaknesses

Disadvantage of the supply of Mrs. Hochmalová is represented by the character of the course which always has the same content and it is also very short. This fact means that Mrs. Hochmalová cannot keep a customer she always has to find a new one. Once the propagation of the courses achieves to get a new customer he uses the service and leaves and it is necessary to find new customer again and again.

Mrs. Hochmalová invests in propagation and uses many tools of marketing communication. However, her and her colleagues' marketing activities are non-professional, disorganized and does not have any specific system. Thus, cost used for marketing communication might not be effective enough. Nevertheless, considering the fact that budget for marketing propagation of the curses is limited it should be organized very well to achieve the most possible effectiveness.

The partnership of Mrs. Hochmalová and her colleagues does not have any name which would allow the customers to call it with a name as a company. Every marketing

tool as flyer, poster, Facebook pages or internet pages content information about the courses however, they do not include any common sign which would give some information who the provider of the service is, not even the name of Mrs. Hochmalová. They even do not use any logo. People who are reached by any marketing communication tool used by Mrs. Hochmalová receives information about the service however, is not able to recognize the provider of the service then.

Courses of Mrs. Hochmalová are taught by four lecturers who are already absolutely busy to manage all the offered courses all over the Czech Republic. Thus, occasionally happens that a special order of the course beyond the dates and places listed in the internet pages appears and Mrs. Hochmalová is not able to satisfy it. Three of the lecturers are of the age when women wants to have a family and Mrs. Hochmalová has to reduce supply of the course in the case that a lecturer is not able to teach because of her maternity leave which also happened this year. For this case more lecturers should be ready to replace a colleague.

Opportunities

Nowadays people are very busy and have to deal with high level of stress, however, standards of their lives are much higher than they were thirty years ago. At present people tend to treat themselves better, they are more interested in healthy life style and they also tend to think about themselves and about the life. Generally people are more open to various approaches to the life they try to understand themselves, find themselves and discover the best in themselves. Thus, Mrs. Hochmalová has a big opportunity to success with her drawing courses combined with self-discovery and self-confidence building.

As it was mentioned above people tend to treat themselves better, they look for new hobbies and try new activities. They like something unique and unusual because actual supply is really wide. In this direction Mrs. Hochmalova's drawing course meets the requirements.

Mrs. Hochmalová's business has the disadvantage of relatively low budget for propagation. Nevertheless, present new ways of communication enable to make an effective propagation for relatively low cost and reach high number of people with a message.

Another opportunity brings companies which nowadays invest large amount of money in various teambuilding events. Despite of the fact that Mrs. Hochmalová's supply contents course for companies as well she does not make any effort to attract them. There is no activity which would support demand for the course for companies.

Threats

The main competitive advantage of Mrs. Hochmalová's supply is the fact that her courses vary from the others with the psychological part and also with the content of the third day. A new competitor who would base his course also on these two aspects would represent a real threat.

Mrs. Hochmalová is not able to afford massive expensive propagation to present her course and attract customers by their results. Therefore, an appearance of a new competitor with a big budget for the propagation would not be good for Mrs. Hochmalová. The competitor would attract the huge number of potential customer who were not aware of the method.

Another aspect which might cause trouble to the business of drawing courses is an economic crisis. In the case that people have less money they firstly start to reduce their spending for unnecessary product and services. It is easier for the customers to deny of a special service as drawing course provided by Mrs. Hochmalová is than to reduce a service which a customer is used to like cosmetics or hairdresser. Thus, drawing courses of Mrs. Hochmalová would note the situation very soon. Drawing courses have already experienced economic crises in 2008. Its result was an attendance decreased by half.

Strategies Resulting from the SWOT Analysis:

SO strategies- use of a strength in favour of an opportunity

At present the topic of self-development and self-discovery is very popular. People also tend to consume service much more that they did in the past. In this case strengths of business of Mrs. Hochmalová providing unique courses of drawing connected with self-development and self-confidence building meet with the opportunities. Thus, Mrs. Hochmalová should promote her courses to let people know about this opportunity.

There is a lot of small towns in the Czech Republic which still do not offer a lot of opportunities to their inhabitants for development and entertainment. Thus, Mrs. Hochmalová could use the adaptability and mobility of her course and organize it time to time also in small towns.

WO strategies- overcome a weakness by the use of an opportunity

The way how Mrs. Hochmalová uses promotion of her course is ineffective and disorganized. As she says she does not really understand promotion and she always uses a tool which she considers as a good and interesting one. Thus, the promotion does not achieve results which might be achieved with another cheaper tool. The investment in the promotion is not effective then. Mrs. Hochmalová might start cooperating with a marketing agency which could help her to eliminate this weakness.

Mrs. Hochmalová also does not offer any course which the participants could regularly attend for a longer period. She has to attract still new and new customers. However, nowadays there is a lot of marketing communication tools which can fast, cheaply and effectively address a huge number of people.

ST strategies- use of a strength avert a threat

Mrs. Hochmalová should use the advantage of her slightly differentiated product, good reputation and adaptability to overcome the threat of new competition. An effective promotion is a way how to make the potential customers aware of the uniqueness and good quality of her course.

WT strategies- weakness minimisation and avoidance of a threat

Because of the fact that the barriers to enter the industry are low there is a real threat of new competitors. Mrs. Hochmalová has never used any strategy to run her business thus, new and well organized competitors with clear strategies and good plans how to achieve them might significantly weaken the business of Mrs. Hochmalová and get a big market share. To avoid this Mrs. Hochmalová needs a good strategy which would firstly focus on promotion of her courses. The marketing research which is a part of this diploma thesis has evidenced that all the other components of the service work very well.

Later on when the marketing communication works Mrs. Hochmalová can focus on making a strategy focused on the product(service) development or market development.

4.5 Marketing Objectives

Marketing objective of the entrepreneur Mrs. Hochmalová is to work out a way of marketing communication which would higher the awareness of people of the fact that there take a place a drawing course using the method of right hemisphere in their town or region and higher the demand for it. The objective of the new way of promotion is to fulfil the capacity of the course. It means increase the attendance of the course by approximately 30%.

4.6 Marketing Strategy

The way how Mrs. Hochmalová can increase the interest and attendance at her courses is to improve the marketing communication of the courses. As the marketing research showed the participants of the courses are very satisfied with the service and all parts that create the service, they are satisfied with the price and with the place as well. To these days Mrs. Hochmalová relied mostly on the word of mouth and her web pages and as the marketing research shows the competitors do not invest in an effective promotion neither. It means that a person interested in the drawing course but not intentionally looking for information or regularly checking web pages of the providers would have a very little chance to get know that this event is going to take a place in his town.

Until now when Mrs. Hochmalová used a paid advertising she choice an article in a magazine which is spread all around the Czech Republic even if her activities do not cover all regions of the Czech Republic. Thus, the only tool of marketing communication mix was spread on too large area, not concentrated enough, very expensive and not supported by any other advertising tool. The new marketing strategy is to remove shortcomings of present marketing communication tools which are the web pages, Facebook profile, YouTube and flyers, unify their design and connect them to be able to support each other. Afterwards the effort will be focused step by step on particular regions where the courses take a place and several marketing communication tools will be used to support each other and create together an effective promotion in the region.

4.7 Action Program

The action program is focused on marketing communication of drawing courses called “Self-confidence- drawing by right hemisphere” organized by Mrs. Hochmalová and her colleagues. It covers the period of a year with the first taken action in April 2015. Target group of the marketing communication are women who are 30-49 years old.

Logo

The first step to improve marketing communication of drawing courses provided by Mrs. Hochmalová is to create a logo which would symbolize Mrs. Hochmalová and her colleagues. At present the web pages of the courses do not contain any logo, any brand and any name with the exception of the item “contacts”. People reading the information on the web pages are not able to recognize easily who the provider is. The same situation is in the case of all other propagation materials or communication tools. They do not mention any brand and any name. Thus, a person reading a flyer promoting the courses of Mrs. Hochmalová is not able to realize that he has already seen an advertising of the same provider at Facebook or any other medium. A logo including the name of Mrs. Hochmalová should be clearly seen on her web pages, on the Facebook profile, at YouTube, all flyers and all promotion tools produced by Mrs. Hochmalová to connect them and to refer to the provider.

Regarding the marketing research among the participants of the courses the customers are exceedingly satisfied with the service and encouraged to recommend it to the others. Thus, Mrs. Hochmalová should use a logo which would give some characteristics to her service and represent its quality.

The logo would be designed by Mr. **Zdeněk Bílý**, entrepreneur operating in the same town where Mrs. Hochmalová lives, who asks **6,000 CZK** for design of the logo and **all** below described **promotion materials**. The logo should be design in **April 2015**.

Trailer

The results of the questionnaire completed by the participants of the courses show that 7% of the respondents spontaneously appreciated the comic trailer about agent James Bond at the drawing course. Another step to improve marketing communication of the

drawing courses and to attract more customers is to create trailers which will introduce the course. Each trailer would be approximately 2 minutes long, it would present real shots from the courses and say the main message. The potential customers would be able to imagine how the course looks like, see the results of the course, they would meet the lecturer, taste the atmosphere and connect the course with some emotions. The customers would not consider the course as an unknown cold service anymore. The trailers could be used in various ways which will be described in following chapters.

The trailers could be recorded by two students using a name **FS-studio** and operating in the hometown of Mrs. Hochmalová. The cost of the trailers would be **6,000 CZK** and the time for its realization would be **April- June 2015**.

Informative E-mails

Following step is to use a database which could be used for informative e-mailing. Informative e-mail is a tool which can easily let the participants of the courses hear about Mrs. Hochmalová again and remind her courses. In this way various news can be sent- new trailer about the course that a new course is offered, that the course will take a place in their hometown, etc. As Mrs. Hochmalová says the participants often ask for information and dates of the additional courses which would take a place in their town. In the case that the particular course is not offered at the web pages at that moment Mrs. Hochmalová just recommends to check the web pages. However, the majority of the people just forget. Informative e-mail is a way how to remind the participants and keep in touch with them.

The database for informative e-mails would be prepared by **AMLS- on-line marketing agency** in **June 2015**.

New Web Pages

It is apparent from the public research that the majority of the people would search for some information about the drawing courses using the method of right hemisphere at the internet. The research among the participants of the courses confirmed that after the word of mouth the internet searcher was the most often media where the participants met courses of Mrs. Hochmalová for the first time. Because of the fact that at present the web pages are important so much it is necessary to give them appropriate attention.

Mrs. Hochmalová has been using the same web pages for ten years without any noticeable change. The visitors of the web pages are not even able to find all provided courses at the homepage. People intending to sign up for a course have to look up the contact firstly and then write an e-mail which is not the most progressive way at these days. Mrs. Hochmalová and her colleagues do not have access to be able to make any changes at the web pages. Thus, it is complicated to keep the web pages up to date.

The resolution is to create new web pages which would include the **new logo**, the web pages would be **clearly organized** and they would also include an **booking form**, a tool which enables the customers to sign up for the course directly at the web pages and in the same time the provider of the web pages receives information about the person who really bought the course. This information includes which internet searcher or internet pages the person came from, what way the person behaved at the web pages, etc. Because of the fact that the participants of the courses are very satisfied and encouraged to recommend them the web pages should also clearly promote the option to buy the **course as a present**. To keep in touch with the participants of the courses or to be able to inform potential customers about newly offered terms of the courses and places where the courses will take a place the web pages should also clearly offer an **option to register at the web pages** to be able to receive these information via the informative e-mails. In this case it is necessary to emphasize that the information will be sent maximally four times per year to assure the customer that the e-mails will not be sent to annoy them.

New web pages could be created by Mr. **Luboš Novák**, administrator of the current web pages who would include all above proposed changes. Mr. Novák would use different technology to enable Mrs. Hochmalová and her colleagues to access the pages and make various changes- update terms of the courses, publish news, etc. However, Mrs. Novák would continue to be administrator of the web pages and all the other fundamental changes would be done by him. This is a solution which Mrs. Hochmalová appreciates because her IT skills are not good enough to administrate web pages. Cost of the new web pages and their administration for a year will cost **20,000 CZK**. Time of the realization is **April-August 2015**.

The so called footprint of the visitors or information which leaves every customer at the web pages will be analysed by **AMLS- on-line agency**. The information will be used

to adjust the web pages according to the needs and behaviour of the customers and to create an effective on-line advertising. AMLS- on-line marketing agency was chosen because of the fact that it operates in Nové Strašecí, the hometown of Mrs. Hochmalová, it offers personal approach and price which Mrs. Hochmalová can afford. The cooperation with the agency will cost **18,000 CZK** per year.

Facebook

The social network Facebook is a medium used approximately by 5 million of Czech inhabitants. Facebook is able to approach a huge number of people, share photos, opinions and connect people. Facebook is a tool which might promote drawing courses provided by Mrs. Hochmalová very well.

Suggested changes which would improve presentation of the drawing courses are following. First of all the **profile photography** and the **cover photography** should be designed on a professional level. The photography should also include **the new logo** of the courses. The photography might be designed by **Mr. Zdeněk Bílý** who cooperates with the AMLS- on-line marketing agency. Afterwards the agency AMLS would become one of the administrators of the profile and set an tool which enables the visitors to evaluate the service by a number of stars. As the research among the participants of the courses showed the satisfaction with the service is very high and people recommend it to their friends. Using the **system of evaluation** at Facebook Mrs. Hochmalová would make a space for the participants to share their recommendation.

Another recommendation is to use **Facebook advertising** which Mrs. Hochmalová already used before Christmas to promote Christmas vouchers. In this case the advertising would be set for every course and it would be focused only on the region where a particular course will take a place. The **Agency AMLS** would be the administrator of the advertising who would set it to appear a month before the course will take a place to women of age 30-55 who live in the region. In this way all courses provided by Mrs. Hochmalová would be promoted. Price of the advertising for the whole year would be **10,000 CZK**.

YouTube

Adjustment of the profile of Mrs. Hochmalová at YouTube is necessary. At present the only information it contains is the name of the user. The profile at YouTube would be completed by information about the address of the web pages and other contacts, by professional profile photography and cover photography and with the new logo as in the case of the Facebook profile. Afterwards the new trailers about the courses would be uploaded. In this way YouTube can become a representative tool supporting the business of Mrs. Hochmalová.

Radio

A **radio** advertising spot would be another kind of promotion which would focus on promotion of the drawing courses in the regions where the courses take a place. Radio is also able to address high number of people as well as Facebook and in this case it might address those who do not use Facebook frequently or even at all. Thus, it would be a good combination. In the same time the cost of radio spots is still in some cases acceptable for an entrepreneur.

The first radio spot promoting drawing courses provided by Mrs. Hochmalová will be focused on the Central Bohemian Region where Mrs. Hochmalová organizes the courses most often. Three radio stations were addressed with a question about possibility of an advertising- radio Blaník, the most listened radio in Central Bohemian Region, radio Impuls and radio Relax, local radio station. The first two mentioned are too expensive. **Radio Relax** offered to broadcast 30 spots 30 seconds long for a week for 9,990 CZK + 1,666 CZK for recording of the spot. The total price would be **11,656 CZK**.

Radio Relax broadcasts in Kladno, Rakovník, Beroun, Louny and Kralupy nad Vlatavou and their surroundings. In average it is listened by 75,000 listeners per week. The radio spot would be broadcasted in September 2015. When planning courses for the second half of the year 2015 Mrs. Hochmalová would organize a course in Rakovník, Slaný (very close to Kladno) and for the first time also in Kladno where there is the highest number of the listeners of the radio station.

Advertising in a bus

Another supporter of the courses in the Central Bohemian Region would be advertising in a bus of **ČSAD Kladno** company providing bus transport in the region. On the base of the negotiation the company offered to rent a bus for a month for **1,320 CZK** plus **325 CZK** for print of the flyers. The flyers would be located on the back side of a back of 18 seats. A bus with the advertising would operate a line connecting Prague, Kladno and Rakovník. It means longer distances where people have enough time to read carefully information which are displayed at their eye level.

4.8 Budget

Mrs. Hochmalová is willing to invest in marketing communication maximally 80,000 CZK for this year. It is a similar amount of money which she invested the previous years. The table below shows the expected budget of the proposed action program. Its total cost is **73,301 CZK** and so meets the requirement.

Table 2- Cost of Proposed Marketing Plan

ITEM	PRICE
Logo	See „Services of Zdeněk Bílý“
Trailer about the course	6000
Database for direct e-mailing	0
New websites	20000
Facebook	10000
YouTube	0
Radio spot	11656
Advertising in a bus	1645
Cooperation with AMLS- on-line marketing agency	18000
Services of Zdeněk Bílý	6000
TOTAL COST	73301

Source: Own processing

4.9 Control

As a control of effectiveness of proposed marketing communication tools a questionnaire could be used for the participants of the courses. The respondents would answer how they learnt about the courses provided by Mrs. Hochmalová and so give a feedback to the marketing communication tools.

5 Conclusion

The theoretical part of this diploma thesis defines the most important terms and relationships which are connected with the topic of marketing plan and promotion and describes the use of the methods which are applied in the practical part.

The aim of this diploma thesis was to work out a marketing plan which would help Květuše Hochmalová, the entrepreneur providing drawing courses using the right-hemisphere method, to increase interest in her course and attendance on it. Even if the entrepreneur considers her courses very attractive the demand for it is not as high as expected. The hypothesis of the author is that the entrepreneur does not promote the courses effectively.

At the beginning of the practical part the business run by Mrs. Hochmalová and the provided product is described. To work out a good marketing plan based on the real situation it is necessary to understand the conditions facing the business. For this purpose a situation analysis was worked out. The external environment was examined by Porter five forces analysis which revealed that the strongest force in this type of service sector business is the threat of substitute. The reason is that nowadays people have large number of attractive substitute activities for their leisure time. Because of the low barriers of entry to this type of industry the threat of new competition is the second strongest force. Results of the Porter five forces analysis give the evidence that effective promotion might persuade the potential customer to choose drawing courses using the right-hemisphere method instead of any other leisure time activity. To be able to get over the problem of the entry of new competitors the entrepreneur should build-up her name as a brand characterised by good quality and work on the general awareness of it.

In the following part a questionnaire was used in order to evaluate the business and the marketing mix provided by Mrs. Hochmalová: That is, to identify the typical customer and to analyse the effectiveness of individual tools which are used for the promotion of the course. The results of the questionnaire showed that the most typical customer of the drawing courses was a woman in the age group of 30-49. The questionnaire did not give the evidence that the interest in the drawing courses using the right-hemisphere method was connected with participants' interest in creative handwork activities. A significant

majority of the respondents heard about this kind of course for the first time via family and friends or internet search. Every other option offered by the questionnaire was checked by less than 10% of the respondents. This fact provides the evidence that the providers of the drawing courses using the right-hemisphere method generally do not use an effective promotion. The responses also showed that the participants heard information about the courses provided by Mrs. Hochmalová for the first time via family and friends and internet search as well. All the other tools used for promotion of the courses were checked by a very low number of the respondents. Generally Mrs. Hochmalová used advertising (mainly articles in magazines) to promote her courses and as the advertising was spread across the whole of the Czech Republic it also meant relatively high costs. In 2014 she invested 50,000 CZK (71% of her annual budget for promotion) in articles in magazines which were sold all over the Czech Republic. However, Mrs. Hochmalová does not cover the whole republic with her courses and in some places they are held only twice a year. Thus, people interested in the article consult the website to get more information and then find that there are not any organised courses in their region and so lose interest. Also the questionnaire confirms that only 8 people out of 141 found the article interesting and booked a course. It means the articles brought in sales of 24,000 CZK during the five months when the research was done. However, this amount does not recoup a half of the investments. This fact and those presented below also the following ones give the evidence that the hypothesis of the author of the ineffectiveness of the promotion used by the entrepreneur. The questionnaire also revealed that most of the respondents who compared an offer from various providers were not able to state a name of the provider or the school. This might be due to the fact that the majority of the providers including Mrs. Hochmalová does not use any brand, logo or name promotion. The only school noted by the respondents was one of the biggest competitors Serafin who uses a name (brand) and a logo. The questionnaire also shows that the price of the course from the participants' point of view is appropriate to the value they received. A very important result is that the respondents evaluate the course exceedingly positively and particularly highlight the performance of the lecturers and the atmosphere at the courses.

To evaluate the internal environment a resources and competences analysis was applied. This analysis singles out experienced lecturers who have an enthusiasm for their work and are high performers. This gives the business a competitive parity. Another

important resource is the high level of the quality of the service which means a temporary competitive advantage for Mrs. Hochmalová and good reputation which causes a relatively permanent competitive advantage. As a competence the adaptability and mobility of the service is highlighted which provides a competitive parity.

SWOT analysis which is based on the results of all above mentioned analysis summarize all the strengths, weaknesses, opportunities and threats of Mrs. Hochmalová's business and offers suggestions of various strategies which use the strengths in favour of the opportunities, overcome a weaknesses using the opportunities, etc. One of the most important strategies is to start cooperation with a marketing agency professionals who might help Mrs. Hochmalová to overcome her weakness- the ineffective and disorganized promotion. Another helpful strategy is to use new ways and tools of effective and relatively cheap promotion. And of course make use of a business strategy since, to date, Mrs. Hochmalová has never used any strategy

On the basis of all gained information the marketing objectives were set to use promotion which will increase the attendance of the courses by approximately 30%. The marketing strategies to achieve the objectives are following. Firstly it is necessary to start cooperating with some professionals who will help with the following steps. Afterwards it is necessary to remove shortcomings of the promotion tools which are currently used. The next step is to focus the promotion on the particular region where the courses take a place and use new tools which will together create an effective promotion, attract more people and increase the awareness of the name or brand of Mrs. Hochmalová.

The action program is focused on tools which are related to all courses no matter what region they are organized in. This means the webpage, Facebook, YouTube and flyers. In this case it is necessary to create a logo which will represent the entrepreneur, her name and her business. The logo should be clearly presented with any promotion tool to build the awareness of the provider and to enable all promotion tools to support each other. Afterwards it is necessary to create new webpage which will meet requirements of these days. In the case of Facebook it will be necessary to have a representative profile photo and cover photo designed by a professional. Afterwards the profile would be set to enable the participants of the courses to evaluate the service. It is also recommended to use Facebook advertisement for every particular course. The advertising would be set to show

up only to the target group and in the region where the course is going to be organized. The YouTube profile should display professional pictures as well as the Facebook profile and all necessary information should be added to become a representative tool. Then several interesting short trailers about individual courses should be recorded and uploaded. Another recommended tool is e-mailing which would enable the entrepreneur to inform people about news and courses organized in their region.

Then Mrs. Hochmalová should focus her promotion on individual regions where the courses take a place. Firstly she could focus on the Central Bohemia where most of the courses are organized. In this region she could plan course in Rakovník, Slaný and Kladno for forthcoming half-year beyond the common places where the course takes a place and use a radio spot in Radio Relax, local popular radio station which covers the mentioned towns and their surroundings. To support this promotional tool an advertising space in public bus could be rented for a month. A bus transporting people on the line Prague, Kladno, Slaný, Rakovník would be used to display flyers informing about the courses on the back side of the seat backs. To make the promotion even more effective and concentrated the Facebook advertising created for every individual course would be published.

The described marketing plan requires 73,301 CZK which matches the budget Mrs. Hochmalová set for the marketing plan. It is nearly the same amount of money which was used for promotion of the courses in 2014, however, the results are supposed to be much more positive.

6 Recommendations

The marketing plan was worked out on the basis of the results of various analysis and researches, however, if the entrepreneur decides to use the marketing plan she should check the effectiveness of every individual promotion tool. To do so she could use a questionnaire asking the participants of the courses what kind of promotion tool informed them about the courses provided by Mrs. Hochmalová for the first time and what kind of other advertising tools used by Mrs. Hochmalová they have met. On the basis of the results the amount of the investments in the individual tools should be adjusted.

Because of the budget limitation a part of the proposed promotion is focused only on a region of the Central Bohemia. The budget did not allow the author to use the same or similar suggestions also for the other regions where the courses take a place. Several suggestions will improve the general promotion of the courses no matter where they are organized. However, the entrepreneur should step by step apply that kind of the focused promotion in every region where the courses are organized.

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8 Supplements

The questionnaire

1. Gender

Male

Female

2. Year of birth (please write down) _____

3. I tend to do some creative handwork activities (drawing, knitting, beads, ...):

Daily

Once a week

Once a month

Once a year

Less often

4. Where did you hear about the drawing courses using the method of right hemisphere for the first time?

(You can mark more options.)

Facebook

Article in a magazine

Lecture

Posters

Advertisement in magazine Meduňka

Internet searcher

Youtube video

TV

Friends, family

Flyer

Other _____ *(Please, write down.)*

5. Where did you hear about the drawing courses provided by Mrs. Hochmalová?

(You can mark more options.)

Facebook

Article in a magazine

- Lecture
- Posters
- Advertisement in magazine Meduňka
- Internet searcher
- Youtube video
- TV
- Friends, family
- Flyer
- Other _____ (*Please, write down.*)

6. Did you compare offer of Mrs. Hochmalová with an offer of other schools or provider?

(If you answered "no" continues with question 9)

- Yes No

7. What other provider or school did you consider to take a part in their courses?

Name of the school (provider):

This school (provider) attracted me by:

8. What was the main reason that made you choose course provided by Mrs. Hochmalová?

(If you choose more options differ by numbers their importance, 1= the most important)

- Positive reference
- Price
- Place of the course
- Date of the course
- Interesting web pages
- Courses are focused on human psychology
- Personality of the lector

9. Do you consider the price of the course appropriate with the value which you received at the course?

Yes

No

10. What is the maximum price which you would have paid for the course after your experience with the course?

_____ *(write down)*

11. Would you recommend to your friends to participate at the course after your experience?

(mark at the scale 0-10, 0 means definitely NO, 10 definitely YES)

Definitely NO

Definitely YES

0 1 2 3 4 5 6 7 8 9 10

12. Please evaluate how much satisfied you were with:

(circle at the scale 0-10, 0- unsatisfied, 10- satisfied a lot)

-course location	0	1	2	3	4	5	6	7	8	9	10
-classroom environment	0	1	2	3	4	5	6	7	8	9	10
-registration process	0	1	2	3	4	5	6	7	8	9	10
-lecturer's ability to transmit her knowledge	0	1	2	3	4	5	6	7	8	9	10
-individual care of the lecturer	0	1	2	3	4	5	6	7	8	9	10
-timetable of the course (start, end, breaks, lunch)	0	1	2	3	4	5	6	7	8	9	10
-contribution of the course	0	1	2	3	4	5	6	7	8	9	10
-overall satisfaction with the course	0	1	2	3	4	5	6	7	8	9	10

13. What did you like most at webpage of courses provided by Mrs. Hochmalová?

(Please write down.)

14. What should Mrs. Hochmalová improve at her website?

(Please write down.)

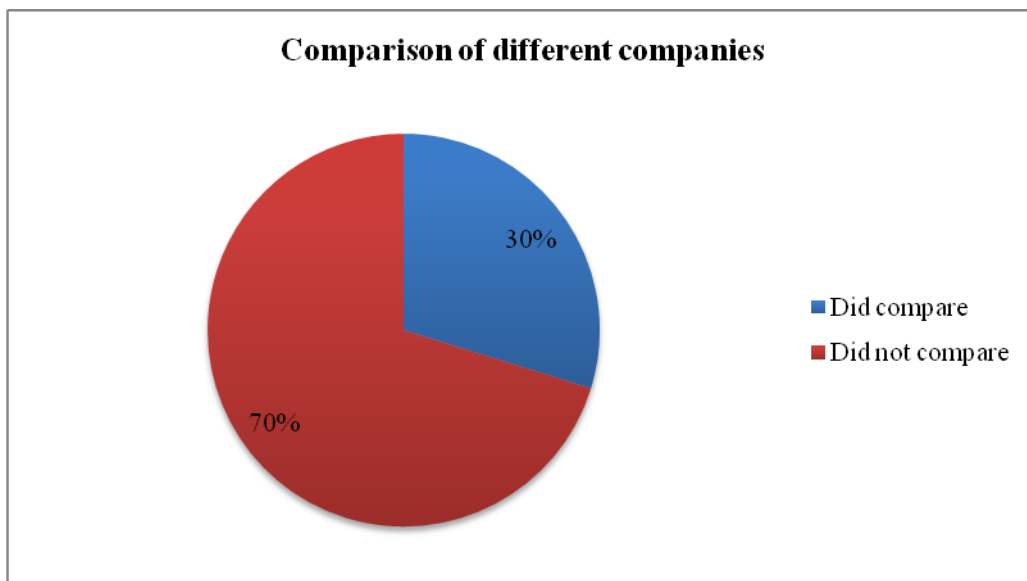
15. What did nicely surprise you at the course?

(Please write down.)

16. What should the provider improve?

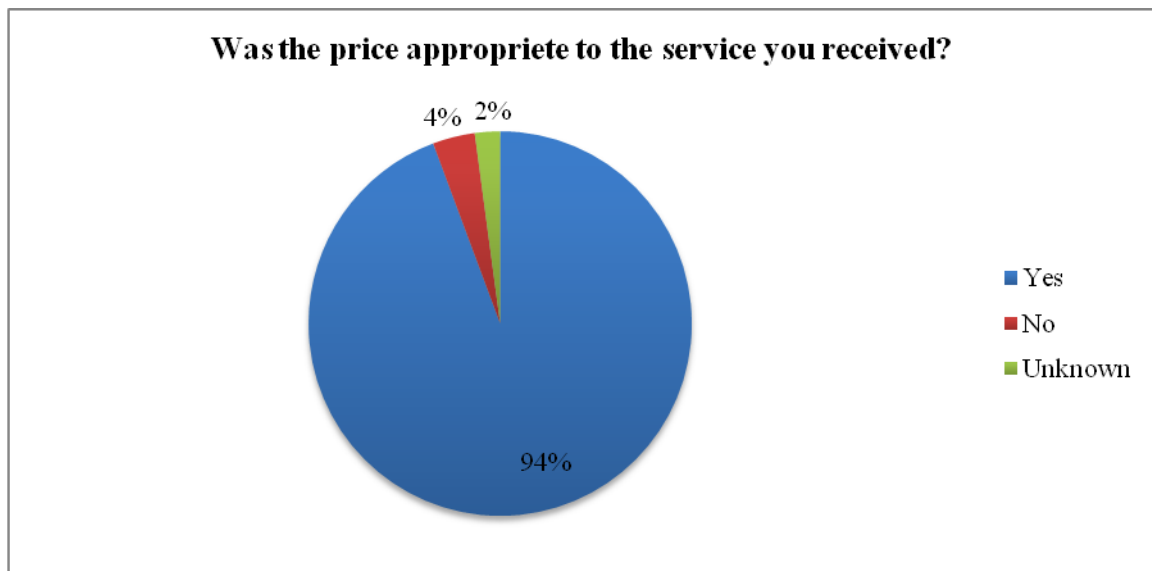
(Please write down.)

Graph 8- Percentage of participants who compared offers of more schools or provider.



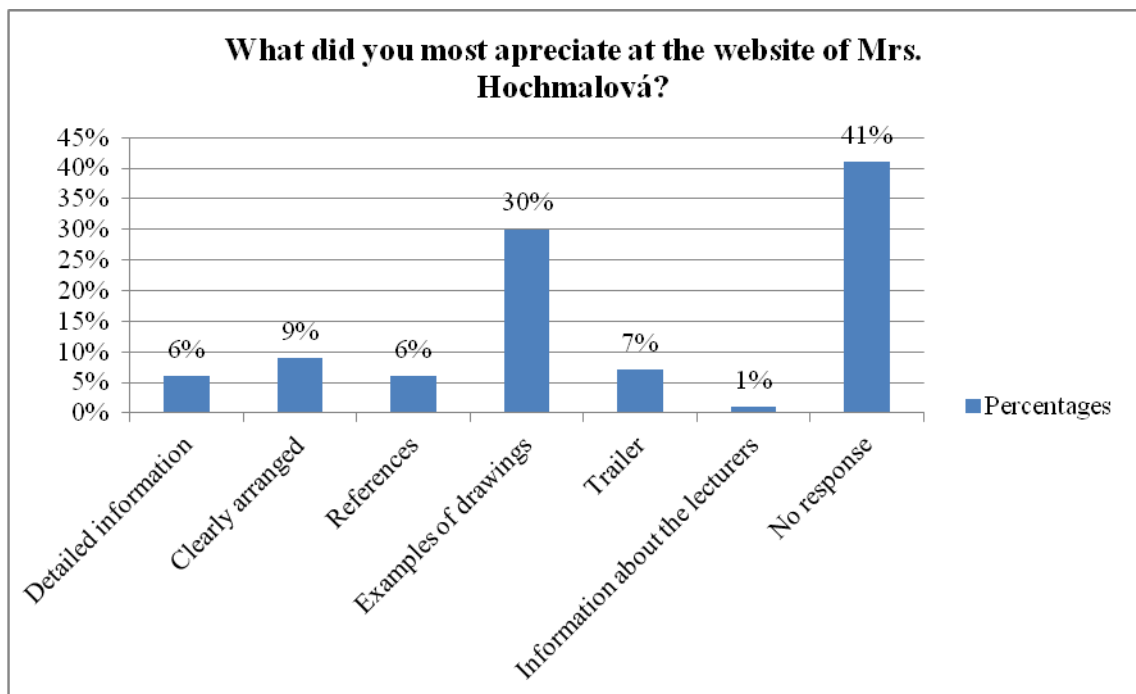
Source: Author's survey, 2014

Graph 9- Perception of the price by the participants



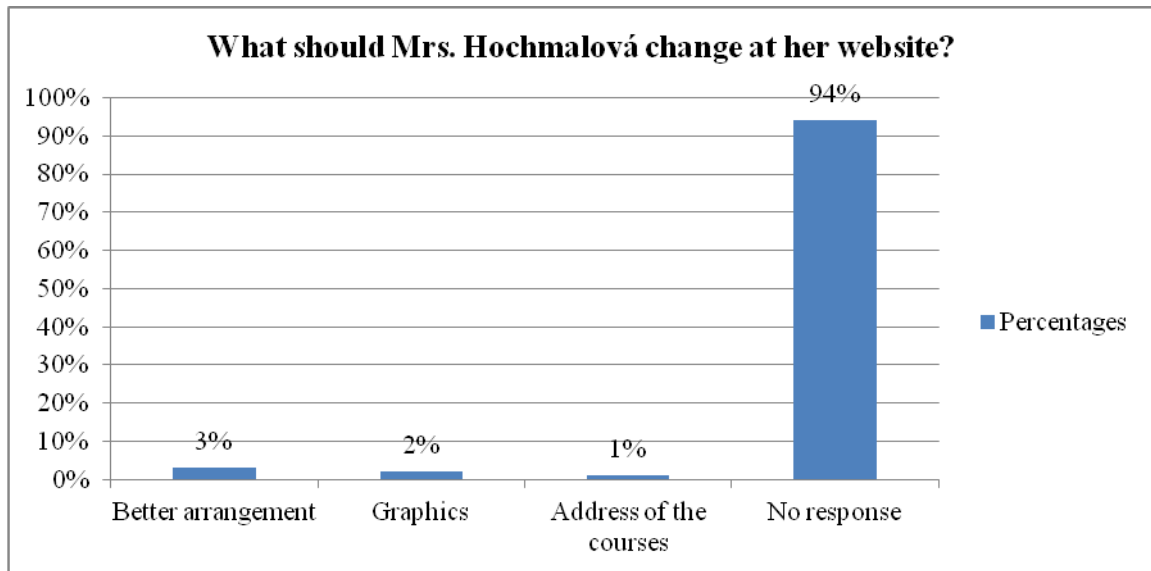
Source: Author's survey, 2014

Graph 10- What the customers appreciate at the website of the provider



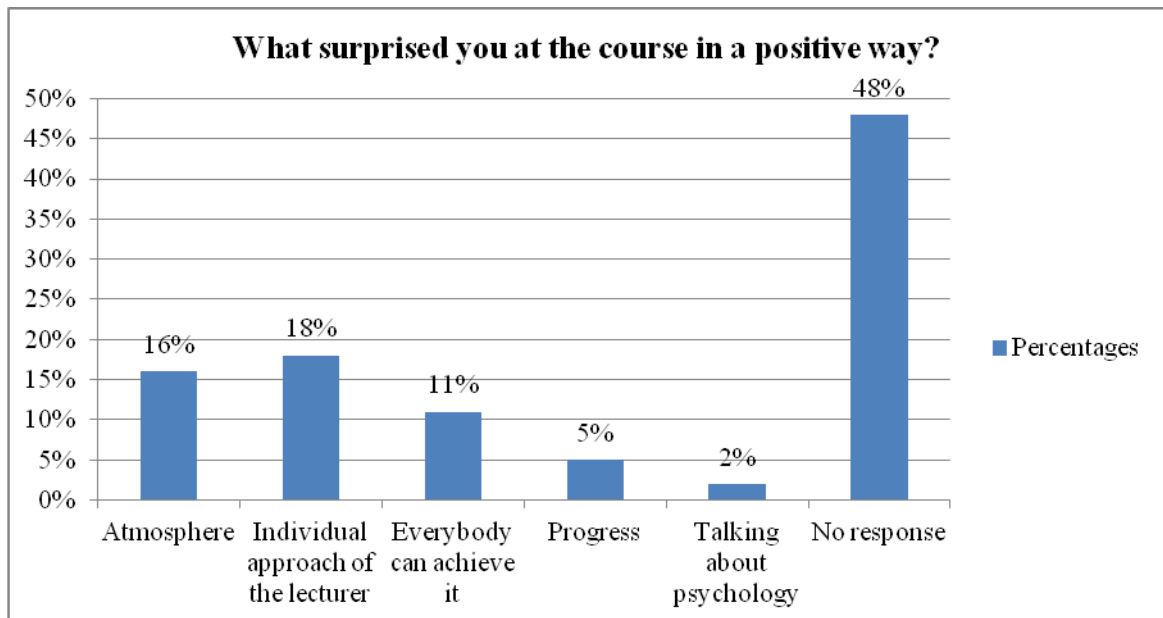
Source: Author's survey, 2014

Graph 11- Proposals of the participants to improve the website

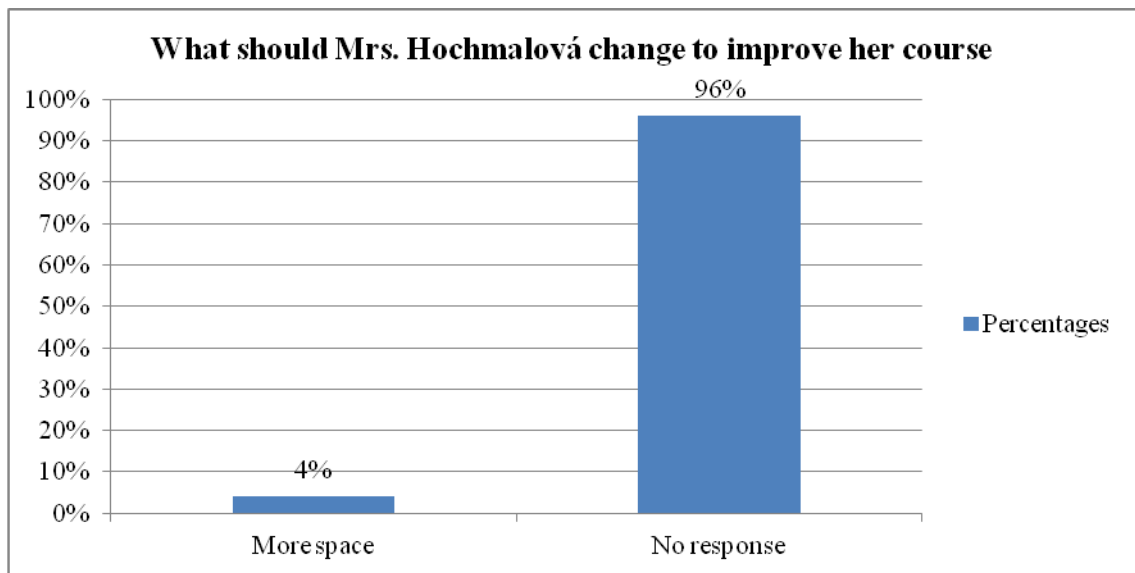


Source: Author's survey, 2014

Graph 12- What the participants appreciate at the course



Graph 13- Proposals of the participants to improve the course



Source: Author's survey, 2014