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PROPOSAL FOR AN INTERNATIONAL MARKETING STRATEGY FOR A SELECTED COMPANY

NÁVRH MEZINÁRODNÍ MARKETINGOVÉ STRATEGIE VYBRANÉHO PODNIKU

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Lawley, B. and Schure, P. (2017). Product management for dummies. Hoboken: John Wiley @ Sons, In. ISBN 978-1-119-26402-6.

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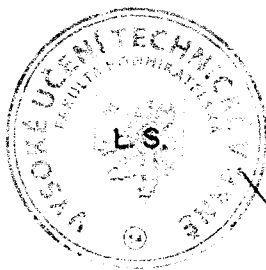
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ABSTRAKT

V diplomové práci je analyzován vybraný podnik působící v oblasti turistického ruchu. Tento podnik má zákazníky z více než pěti zemí a specializuje se na hotelové služby v Krkonoších zejména pro českou, polskou a německou klientelu. Výsledkem této diplomové práce je komplexní mezinárodní marketingová strategie, která je v souladu se současnými trendy v hoteliérství. Sekundárním cílem je segmentovat současné i potenciální zákazníky pomocí Google Analytics během přípravy mezinárodní marketingové strategie.

KLÍČOVÁ SLOVA

Mezinárodní marketingová strategie, marketing hotelu, strategie hotelu, Google Analytics, segmentace

ABSTRACT

The master's thesis analyses a selected company operating in the tourism industry. The company has customers from more than five countries and specialises in offering hotel services in the Giant Mountains, especially for Czech, Polish and German clients. The result of this thesis is an international marketing strategy that is in line with current trends in the hotel industry. The secondary objective is to segment current and potential customers by using Google Analytics when preparing international marketing strategy.

KEYWORDS

International marketing strategy, marketing, hotel strategy, Google Analytics, segmentation

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DECLARATION OF ORIGINALITY

Prohlašuji, že předložená diplomová práce je původní a zpracoval jsem ji samostatně. Prohlašuji, že citace použitých pramenů je úplná, že jsem ve své práci neporušil autorská práva (ve smyslu Zákona č. 121/2000 Sb., o právu autorském a o právech souvisejících s právem autorským).

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INTRODUCTION

The tourism industry is challenged by numerous technology innovations and the overall transformation of the promotion channels. The upcoming generations are more and more searching for luxury accommodation and experience tourism. All said pushes hotel to come up with innovative marketing strategies in order to reach higher revenues.

This master thesis aims to analyse the marketing activities of the family hotel in the Giant Mountains and propose an international marketing strategy for the hotel, which will strengthen its position against its competition. A secondary goal is to segment potential customers based on Google Analytics and used those insights when creating the marketing strategy.

The first chapter is dedicated to describing the theory behind marketing. The author carries out a theory review of the marketing strategies, parts of the marketing plan and sum up numerous analysis which is often used when creating a marketing strategy.

The second chapter is dedicated to analysing web traffic by using Google Analytics. This traffic serves as underlining data for potential or real customers of the hotel. The data mining is split into languages and tries to find differences in differently speaking visitors of the website.

The third chapter is dedicated to supporting analysis such as competition analysis, PEST analysis and company characteristics. All facts are summed up in the SWOT analysis in the end of the chapter.

The last chapter is dedicated to describing a proposed marketing plan including budgeting, controlling mechanism and improvements in services, price, promotion and placement.

AIM OF THE THESIS, OBJECTIVES AND METHODOLOGY

This thesis aim is to critically analyse the marketing activities of the selected company and propose an international marketing strategy. To achieve the main goal, the author conducts a marketing theory analysis, critical PEST analysis, competition analysis, customer segmentation analysis and SWOT analysis. Secondary goal is to segment current and potential customers using Google Analytics. To achieve the secondary goal, the author conducts a Google Analytics analysis.

Several methods have been used within the thesis. The methods used included: working with secondary data, deduction, induction and comparison.

According to Romana, Mynářová and Svobodová (2011), working with secondary data is a financially less demanding form of obtaining information and is particularly suitable for basic orientation in the given research.

Vávrová (2014) describes deduction as an analytical framework which derived from a general assertion about the system a concrete assertion of individual elements of the system.

Vávrová (2014) defines induction as an analytical framework which assertion of individual elements of the system results in a general assertion about the system.

Zubíková and Drábová (2007) describe a comparative method as identification of the same and different characteristics of certain phenomena and processes by comparing them.

1. THEORETICAL BACKGROUND OF THE PROBLEM

There is no clear and unambiguous definition of the term *marketing*. The existing definitions of the term marketing are very diverse. This diversity is caused mainly by an extensive amount of different view on the goals of marketing. Expressing the essence and clear definition of marketing is hard. Author of this master's thesis states the definition made up by Philipa Kotler which is in his opinion is simple yet extensively descriptive for the needs for this thesis. According to Kotler and Keller (2012, page 5) marketing is '*...societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.*' This process involves searching, anticipating, stimulating and ultimately satisfying the customer's needs while meeting the objectives of the company. Kotler and Keller (2012, page 5) also offer even simpler definition '*meeting needs profitably*' which however is too general for this master's thesis.

The above comprehensive definition of the concept of marketing is accurate, clear; however, it is one out of many possible definitions. For example, The American Marketing Association (AMA) carries out another definition of marketing, saying that marketing is "*process of planning and implementation of concepts, pricing, promotion and distribution of ideas goods and services to create and maintain in order to achieve that exchange that satisfies the demands of individuals and organizations,*" (Kotler and Keller, 2012, page. 5).

According to Patrick De Pelsmacker (2013, page 23) marketing is defined as '*the process of planning and implementing the price concept policy, support and distribution of ideas, goods and services to create and exchange values and to meet the goals of individuals and organizations*' Such definition specifically mention that part of the process is planning unlike the AMA or Kotler's definition.

In the international context, marketing involves multiple activities taking place in more than one country. Therefore, international marketing results in an extremely complex set of activities. According to Doole and Lowe (2008, page 5) international marketing '*involves the firm in making one or more marketing mix decisions across national boundaries.*' The need for international marketing comes with expansion to the new

markets which in our globalised world is often a matter of time. The company might be pushed by its competitors to expand to new markets as its competitors challenge the company on its domestic market.

All marketing definitions share that the marketing is a complex and highly integrated process with a goal of understanding the customer needs and problems and offer solutions to these needs, desires or problems (Doole and Low, 2008).

The benefits of this process are potential profits increases due to positive customer satisfaction. Such a process is desired as the ultimate goal of any business is to increase its profits. Needless to say, marketing is a product of the market and is changing depending on the market itself.

1.1 Strategic marketing

The ultimate goal of the marketing is to create and maintain a long-term and mutually beneficial relationship between the company and public or more precisely company's customers. Marketing managers do so in extremely quickly changing business environment. The changes are caused mainly due to globalization and rapid technology development. As a result, the distance between the company and the customer is shorter and shorter every year. The internet significantly shortened the distance between the company and the customer. Furthermore, customers' needs, desires and problems are subjected to change, and they change often. Therefore, marketing managers cannot focus only on the present, but they must focus as much as possible to the future market developments.

The term *strategic marketing* is vaguely defined however Kotler and Keller (2012) describes it as a process of analysing company's micro and macro environment, weakness, strengths, threats and opportunities in order to offer future customers the best value. The main aim of strategic marketing is to serve the future customers.

According to Jorge Mongay (2006) literature review of strategic management the role of strategic management is *'to lead the firm towards attractive economic opportunities, that is, opportunities that are adapted to its resources and know-how and offer a potential for growth and profitability.'*

Jakubíková (2013) adds that the strategic marketing management is used in the strategic marketing. Such a process analyses the micro and macro environment of the selected company. The process sets the company's goals and strategies to achieve them. Part of the process is development, implementation and control of marketing plans (Kotler and Keller, 2012).

Strategic marketing is often used by top management and decision-maker within the company. It takes into account the current situation of the company and, at the same time, seek to predict future customer's needs based on available information about the customers and the markets. It allows the company's management to take advantage of future opportunities and at the same time to prevent threats and reduce the future risks. Well done strategic marketing leads to customer satisfaction and increases the profits of the organisation.

Another field which shares common ground with strategic marketing is product management. However, product management stands above strategic marketing in the company's hierarchical management structure. It is '*in the centre of all company departments as well as external entities such as customers, press, analysts and partners,*' (Lawley and Schure, 2017) and manage the tactical and strategic success of every product or service what the company offers (Lawley and Schure, 2017). On the other hand, both strategic marketing and product management share orientation on the product and value proposition management style.

1.2 Strategic marketing planning

Strategic marketing planning is part of overall strategic planning of the company and the strategic marketing management (Kotler and Keller, 2012). It is an activity which systematically and rationally organizes, implement, measure and control marketing activities across the organisation so that they are aligned with the core company's business and marketing goals. Therefore, strategic marketing planning is an essential part of any planning within the company (Jakubíková, 2013).

An important part of strategic marketing planning is the alignment of the company's resources and capabilities to meet the company's business goals. It is important to realise that marketing planning is highly dependent on other planning processes in the

company. It is mainly linked to financing, production planning and human resources planning. Marketing plans should closely correspond to other planning processes, but they are not in a hierarchical relationship.

According to Kotler and Keller (2012), marketing plans has two dimensions – a strategic marketing plan and tactical marketing plan. Strategic marketing plan *'lays out the target markets and the firm's value proposition, based on an analysis of the best market opportunities,'* (Kotler and Keller, 2012). On the other hand, *'tactical marketing plan specifies the marketing tactics, including product features, promotion, merchandising, pricing, sales channels, and service,'* (Kotler and Keller, 2012).

An important part of strategic marketing planning is the the definition of the company's mission (Jakubíková, 2013). Companies develop their mission statement and promote it within the organisation and to its customers base (Kotler and Keller, 2012). The cleared the mission statement, the greater the resonance and aligned common sense of purpose and direction among the consumers of the products and employees of the company. The statement reflects the reason why the company exists, the relationships with targeted market subjects, behaviour norms towards its employees and customers and long-term values (Jakubíková, 2013).

Another important part of strategic marketing planning is the definition of the company's mission which is a reflection of the far future of the company (Kotler and Keller, 2012). Strategic planning relies on expertise from other parts of the organisation. After receiving the requested information, marketing manager can write down the strategic marketing plan.

1.3 Necessary components of marketing plan

In theory, the marketing planning process consists of several activities including selecting target markets, designing marketing strategies and analysing marketing opportunities (Kotler and Keller, 2012). The goal of marketing planning is to reach a consensus on how to promote a certain product or service that the company offers. Such a consensus in practice is often hard to achieve, and it is subjected to change (Kotler and Keller, 2012). The outcome of marketing planning is a marketing plan which should be flexible to absorb shocks coming from the company's macro or microenvironment.

Individual marketing plans and procedures for creating them may vary depending on the size of the company, the market where the company operates, or at the company's position regarding its competitors. Special factor that shapes the marketing plans is culture in each targeted market.

The marketing plan is compiled for different time periods; however, the most typical is one year. Its length ranges from 10 to 50 pages, and its main goal is to best summarise all available market and business information and design strategy and tactics to achieve the goals set. Marketing plan sets budgets and a control system for a specified period at the same time (Dědková and Honzáková, 2008).

More formal definition of marketing plan offers Horáková (2003, page 146) *'It is a written document capturing the results of marketing planning (the plan is a systematic and creative result from a thought and an idea to a tangible document that it is formalized, structured, comprehensible, easy to understand and capable of implementation) and showing where the business wishes to be at a particular point in time in the future and by what means it will reach.'* According to Dědková and Honzáková (2008), the content of marketing plan usually consists of an analysis of external environment of the company (macro environment), analysis of internal environment of the company (microenvironment), goals and strategies, implementation monitoring and controlling mechanisms.

Well written marketing plan backed by precise analysis can increase long-term revenues. In practice, marketing managers often need to convince company's top management about the need to change marketing plans and strategies due to various factors including new trends in the industry or technological development (Dědková and Honzáková, 2008), Jakubíková (2013) and

In this chapter, author describes the theory of an important part of the marketing plan such as marketing research, plan, goals, strategy or introduction and situation analysis. The author synthetize the parts of marketing plans based Kotler and Keller (2012), Kotler and Keller (2013) Dědková and Honzáková (2008) and Horáková (2003). Needless to say, that every author will carry out his or her own structure for the marketing plan. Author of this thesis made a structure of the marketing plan based on the authors mentioned earlier due clear structure.

1.3 Marketing research

The marketing research is a process of analysing company's marketing situation, often it is focused on describing the behaviour of the target market customers. Kotler and Keller (2013, page 132) define the marketing research as '*Systematic design, collection, analysis and reporting of data and findings related to a particular marketing situation that the company is facing at the moment.*' According to Dědková and Honzáková (2008, page 72), the aim of marketing research is to '*collect an information for market orientation and market prediction for decision-making process within the company.*' Marketing research focuses on long-term market factors while short term factors are evaluated in marketing surveys (Dědková and Honzáková, 2008).

Marketing environment of recent years has changed radically, especially as a result technological progress, globalisation and regulation. Those factors affect the entire market behaviour and create new challenges for the companies. Thus, marketing managers are constantly forced to search for new market information in order to create new marketing strategies.

In the hotel and tourism industry the *network platforms* changed the established business models of rooms offerings by traditional accommodation-oriented businesses. Those platforms are often controversial as they support mass tourism, '*pricing out long-term renters and side-stepping the regulations and taxes imposed on hotels and registered apartments (Dickinson, 2018).*' The rise of peer-to-peer (P2P) platforms such as Airbnb was quickly followed by the adjustment of established hotels aggregators such as Booking.com or hotels.com which gained significant bargaining power at the expenses of the hotels. This often leads to abuse of a dominant position on the market and sometimes to legal actions against those portals such as the case booking.com and its double pricing (ČTK, 2018).

What is important, then, is the quality of underlining marketing research. Marketing research should be conducted systematically. Researchers should avoid bias which is often a problematic task. Effective marketing research is proceeded in six steps:

1. *Define the problem and research objectives*
2. *Develop the research plan*

3. *Collect the information*
4. *Analyse the information*
5. *Present the findings*
6. *Make a decision (Kotler and Keller, 2012, page 99)'*

The first step in marketing research is to define the problem, the alternatives and research objectives. It is necessary to ensure that the scope of the research that is coming from the company to the researchers is not too wide or too narrow. Some research aims to shed light on the true nature of the problem and propose a possible solution or come up with new ideas. Other research can be descriptive, trying to quantify the demand (Kotler and Keller, 2012).

The second step is to prepare a research plan. The plan should be compiled in the manner that it effectively summarises information about the research and estimates costs and states the desired ways of data collections. The researchers can collect primary or secondary data. Primary data is newly collected for a specific purpose for given research. For marketing purposes, five main primary collection methods are used data: observation, focus groups, questioning, behavioural methods or experiments (Kotler and Keller, 2012).

The last phase is the costliest and most vulnerable to making mistakes in the research. It is, therefore, necessary not to underestimate the preparation of the entire research at the beginning. Researchers at this stage test various hypotheses and theories, calculate the averages and scattering rates of the main variables or apply some of the advanced statistical techniques. Summarised research outcomes are then presented to the marketing managers. Marketing managers should involve the facts in marketing decisions and marketing planning (Kotler and Keller, 2012).

1.3.1 Conducting web analytics via existing tools

One of the analyses which can help to understand the behaviour and preferences of the company's customers is *web analysis*. According to the Peltsverger and Zheng (2015), '*Web analytics is the technology and method for the collection, measurement, analysis and reporting of websites and web applications using data.*' Web analysis is also going

to be carried out in order to achieve the secondary goal of this thesis. Therefore, it is important to dedicate a single subchapter in marketing research chapter to problematics of the web analysis.

It is known that online marketing environment generates a tremendous amount of data that can be used for market segmentation. Sekiguchia and Tsuda (2014) achieved advanced segmentation with web analytics and present its findings at 18th International Conference on Knowledge-Based and Intelligent. They segmented web users based on behaviour data into several categories according what website content each category primary uses Sekiguchia and Tsuda (2014). The categories are:

- *Products*
- *Solutions*
- *Support (FAQ or Contacts)*
- *Download or resources*
- *Purchase*
- *Press or news*
- *Seminar/Training*
- *User registration/Login (Sekiguchia and Tsuda, 2014)*

By performing web analysis companies can also improve their websites and web related content to perform better against its marketing goals or have better user experience (UX).

The core stone of nowadays online marketing is a web presentation which serves as a single point of truth and central source of all information concerning the company.

Over the past two decades, there has been an explosion of online marketing tools which helps to measure and enhance websites and segment websites users. Among the most important one's author names Hotjar, Google Analytics, and UserTesting. All those tools help to capture primary data which can be used for enhancement of the web site's performance, user experience, user interface (UI) or serve as trackers for marketing goals. According to Blast Analytics & Marketing (2019), *Google Analytics* platform

offers to measure web-related data which can be further explored with advanced filtering. Google Analytics platform has a number of features for campaign tracking/goals tracking, real-time reporting and user experience insights. The platform is nowadays an industry standard for measuring and tracking marketing goals.

Hotjar Ltd is a company that is focusing on capturing heatmaps of websites and apps usage in real-time. Those heatmaps measure information such as:

- Where the user's click the most – measuring actual clicks on elements of the website helps to see what users expect to be the active elements of the website and reflects the content that users are interested in (Hotjar Ltd, 2019).
- How far they scroll – measure the lengths in pixels of how far the users scroll on multiple devices on the website. Such a feature helps to optimise the content of the website and prioritise the information structure from the most important to the least (Hotjar Ltd, 2019).
- How they move with their mouse – measures the movement of the mouse cursor. Such data helps to catch the attention to some elements or content on the website (Hotjar Ltd, 2019).

Web analysts also use the recording function which collects real-time data about how users of the website behave on the website (Hotjar Ltd, 2019). Such a method is close to real observations in scientific research and is used in this manner in web analytics.

The company also offers a conversion funnels tracking. The conversion funnel is a set of rules which the user of the website must go through in order to make a conversion (Hotjar Ltd, 2019).

Another tool heavily used for gathering primary data is *UserTesting* developed by a company named UserTesting, Inc. This platform helps to record user's interactions with particular products such as websites or even products packaging. The feedback is used for understanding wherever they would purchase or not and for further segmentation of the potential customers. Those data are also used for enhancement of the products (UserTesting, Inc, 2019).

1.3.2 Google Analytics

Probably the most known solution for performing web analysis is Google Analytics developed by Google, Inc. Google Analytics is nowadays an industry standard capturing precise data about users' behaviour in mainly websites and web applications (Brunec, 2017). Author of this thesis uses the data from this software for achieving the secondary goal of this master's thesis.

The solution is used for gathering insights about the users of the online environment presentation. Those insights contain age, gender, location, hobbies, data about the technology user's use to access the content, mobile usage, data from Google Search mainly queries, the organic and paid search comparisons on Google Search, performances of the goals and goals hits (Brunec, 2017). Another segment contains all data about the behaviour of the users such as what content they view, on what and where did they click on the content, what was the landing page and the exiting page, what was the path through the entire content of each user and what conversions they made (Brunec, 2017). Google Analytics software allows to compare current data feeds with its past and perform data analytics (Brunec, 2017). This feature is handy when looking for anomalies in customers behaviour.

All this data serves as a starting point for segmentation analysis and defining customer behaviour. Skilled web analysts can segment the users according to their behaviour in an online environment and hand it over to the marketing department. Those segments can be further used in situation analysis and defining the target audience, marketing strategies and segments.

Google Analytics technology places a JavaScript code on every page of the project which gathers data about users' behaviour. Every time the user loads a new page, the code connects to Google Analytics servers and transmit the data about the behaviour about the usage of the page (Brunec, 2017). The reliability of the technology is highly valued among its users. The advantages of the solutions are:

- High precise measurement and extensive data segmentation possibilities (Brunec, 2017),
- Customizable measurement of possible page/content (Brunec, 2017).

- Its measurement relies on multiple servers which helps to improve the precision (Brunec, 2017),
- It can track events such as button clicks or scrolling with high precision (Brunec, 2017),
- Collected data are stored in the cloud (Brunec, 2017)
- Easy implementation and free-of-charge solution (Brunec, 2017).

There are some disadvantages, but overall the benefits are greater than the negatives. The disadvantages are:

- The solution is JavaScript dependent. Google Analytics cannot function properly when case users turn off JavaScript usage on the web browser (Brunec, 2017),
- It is not possible to track the robot's behaviour and differentiate it from the rest of the traffic (Brunec, 2017).

1.3.3. Important Google Analytics metrics and measures

Google Analytics works with a couple of important metrics and measures which the author will use later in this work. Therefore, it is important to explain the theory behind them.

A user is represented by 'unique identifier associated with each user (...). This identifier can be a single, first-party cookie named _ga that stores a Google Analytics client ID, or you can use the User-ID feature in conjunction with the client ID to more accurately identify users across all the devices they use to access your site or app (Google Inc, 2019a)'. Each user has its unique identifier which is anonymous. In the context of Google Analytics data, the term users mean the sum of those unique identifiers.

A session is defined as 'A session is a group of user interactions with your website that takes place within a given time frame (Google, Inc., 2019b)'. 'A single user can open multiple sessions (Google, Inc., 2019b).' Needless to say, that one user can generate multiple sessions. The session ends in the following ways:

- *'After 30 minutes of inactivity (Google, Inc., 2019b)',*

- ‘*At midnight (Google, Inc., 2019b)*’,
- At campaign change: when the user arrives via one campaign, leaves, and then comes back via a different campaign (Google, Inc., 2019b).

A *hit* is defined as an interaction that results in data being sent to Google Analytics servers (Google, Inc., 2019c). The most common hit types are page views or event triggers.

A *landing page* is the first page each session visits. It is the beginning of the user’s route on a particular website or application (Brunec, 2017).

An *exit page* is the last page which the user displayed before leaving the website or application (Brunec, 2017).

A *conversion* is a predefined set to rules or one rule that can result in a hit (in most cases) (Brunec, 2017).

1.4 Introduction of the company

Caring out the introduction of the company plan is the first step in creating a marketing plan. The introduction contains basic information about the company, the main goals of the company and its strategy (Kotler and Keller, 2012). It informs the reader about who are the company’s customers, how their needs are met and what is the position of the company on the targeted market (Wong, Radel and Ramsaran-Fowdar, 2019).

The introduction of the company also answers questions that form the basis of strategic planning: how the company is positioned on the market is and how it got there. Furthermore, the company’s introduction offers a predicted future outlook and summary of products and industry information. This chapter also includes the vision and mission of the company (Wong, Radel and Ramsaran-Fowdar, 2019)

1.5 Situation analysis

Situation analysis is another part of a marketing plan. According to Kotler and Keller (2012) situation analysis is defined as ‘*description of the market, the company’s capability to serve targeted segments, and the competition.*’ The quality of the

situational analysis is one of the most important and the most comprehensive steps in the creation of the marketing plan. It is said to be a cornerstone of the entire marketing plan. The company should know in detail its macro and microenvironment; factors that are affecting these environments and how these factors are likely to evolve.

Situational analysis is often conducted over three-time horizons: an analysis of the past development, the current state and an estimation of the possible future development based on these previous two steps (Horáková, 2003).

The main steps of the situation analysis focused on the current development and the current state include the definition of a market size based on market size analysis, competition analysis, supplier analysis, customer base analysis, company's SWOT analysis and products or services offering analysis (Kotler and Keller, 2012).

Part of the analysis is also dedicated to defining the potential market share, potential sales of the company and its potential profits. Those numbers are often indicative and might serve as Key Performance Indicator (KPI) for marketing managers. Those three figures are included in the market summary which also includes *'targeted segments in detail provides context for marketing strategies and programs discussed later in the plan,'* (Kotler and Keller, 2012, A2 appendix).

Situational analysis is the basis for the creation of a sales plan (according to selected products), the financial plan and the profits plan (on selected products or services). Situational analysis is however divided into two main parts: the analysis of the internal and external environment. Some literature calls those parts a macro-environment and microenvironment.

Every company have a different situation analysis which depends mostly on the industry and the company's products. There is no norm for the format of the analysis. However, according to the Horáková (2003), those elements should be included in any situation analysis:

- Company introduction
- Summary of currently used marketing strategies and its performance report
- Time comparison of past and present marketing strategies
- Analyse current marketing strategy for the future

- Analysis of the company's expenses
- Competition analysis and market position analysis
- SWOT analysis
- Present main strategic issues and problems which the company should focus on

1.5.1 Macro environment analysis

The macro-environment analysis (sometimes called external environment analysis) includes external influences and situations that the company cannot or can hardly influence. The macro environment includes the demographic factors such as gender, age or mortality and then political, legislative, economic, socio-cultural, geographical, technological and ecological factors (Kotler and Keller, 2012). Kotler and Keller (2012, page 67) also add that it is a good practice to *'develop processes to identify and track important macroenvironment trends.'*

As for research methods, some form of PEST analysis is often used to analyse the external environment. The shortcut PEST stands for Political, Economic, Social and Technological environment analysis (Karliček, 2013).

Trade, taxation, labour and legislation are factors analysed in *Political environment analysis*. Researchers are trying to answer the question *'which policymakers are likely to intervene in the commercial environment'* (Sammut-Bonnici, Tanya & Galea and David, 2015) and how they might intervene.

Economical environment analysis includes analysis of the local and international economy, seasonality of economic cycles a market fluctuation, interest rates and exchange rates, etc (Sammut-Bonnici, Tanya & Galea and David, 2015). Researchers are trying to determine how profitable the firm will be in its environment with regards to macroeconomics factors (some of them named above).

Social environment analysis analyses trends and patterns in society such as consumer taste and preferences. This analysis helps to reshape the products or services to meet the expectation of the consumers (Sammut-Bonnici, Tanya & Galea and David, 2015).

Technology advancement and innovation are a major part of virtually any business. This factor often changes the entire industries and build new opportunities. Researchers are

trying to determine which technology factors are likely to impact the business model of the company.

Karlíček (2013) also adds that *technological environment analysis* includes environmental analysis due to the mutual relationship between technology and nature.

Sammut-Bonnici, Tanya & Galea and David (2015) recognise five types of a PEST analysis. Those variations of PEST analysis includes additional factors of Environmental, Legal, Ethical, Demographics, Regulatory factors.

Needless to say, PEST analysis does not contain all factors of the macro environment rather those who might have an impact on demand, not the company's products or services (Karlíček, 2013). Therefore, when conducting PEST analysis, it is important to focus on only those factors that are important to the business.

1.5.2 Microenvironment analysis

Microenvironment includes factors that the company can significantly influence. Microenvironment represents those factors that directly influence the ability of the company to realise its main function - to satisfy the needs of its customers and generate profit. Jakubíková (2013) adds that a Value, Rareness, Imitability, Organization framework (VRIO) can be applied to analyse the resources of the company. Such an analysis summarises and prioritises the resources and capabilities of the business concerning the adaptability to short-term or long-term changes (Jakubíková, 2013).

The microenvironment consists of two hypothetical dimensions. The first dimension is related to factors which include people, for example, employees, organisation's structure, financing of the company, production, managers, supply chain etc. The second dimension is related to tools of the *marketing mix* (see chapters below) and researchers analyse competition, customers behaviour, distributors and the industry as a whole. Microanalysis extends the industry analysis from the market summary and adds market size, entry and exit barriers, industry structure that can be atomized (many small businesses) or consolidated (several strong enterprises) (Kotler and Keller, 2012).

The goal is to reveal the basic forces that influence the industry and have a major impact on the company. One of the best-known frameworks for microenvironment evaluation is *Porter's five forces* model developed by Michael E. Porter in 1980.

According to Camilleri (2018), the framework includes those forces:

- *The threat of intense segment rivalry* – including price wars, advertising battles and frequent product or services introductions among existing competitors within the segment makes it expensive to compete Camilleri (2018)
- *The threat of new entrants* – a fear of newcomers entering the industry due to low entry costs Camilleri (2018)
- *Threat of substitute products or services* – fear of limitations of price increases due to cheap and reliable substitutes Camilleri (2018)
- *Threat of buyer's growing bargaining power* – high consumer's dealing/bargaining makes the segment unattractive due pressure on price decreases, or quality increases Camilleri (2018)
- *The threat of suppliers' growing bargaining power* - high dealing/bargaining of suppliers pushes the prices of existing products higher or lower the quality without any impact on the reseller (Kotler and Keller, 2012).

Researchers try to determine the strengths of the forces and sets strategy on how to defend the position of the company on the particular market or segment when the Five Forces framework is applied. It is important to not only limit to domestic market but extend the analysis to international or at least neighbouring countries to which the business operates.

1.5.3 SWOT analysis

So-called SWOT analysis is one of the most used methods to determine the overall analysis of influential factors/forces of the micro and macro environment (Kotler and Keller, 2012). SWOT analysis is used for detailed identification of strengths, weaknesses, opportunities and threats (Kotler and Keller, 2012).

The first two categories arise from the company's microenvironment. Researchers can identify factors/forces that may be relevant to future successes, or setbacks in the microenvironmental analysis. Strengths can, for example, be product quality, rich brand history, good financial standing or dominant position on the market. On the contrary, weaknesses are high indebtedness, obsolete technology or poor-quality products.

The last two categories arise from the company's microenvironment. The intensity of the factors/forces of the company's external environment depends primarily on the company's industry. Companies assess threats and opportunities mainly according to the severity and probability of their occurrence for a strategic marketing process. Opportunities, for example, might be new markets enters or newly acquired technologies. On the other hand, threats, for example, might be an economic crisis or the tightening of the legislative condition.

As a rule, businesses place it at the end of the situational analysis, as it is a sort of summary of the whole analysis of the macro and microenvironment. The primary function of the analysis is to help the company identify and better formulate marketing strategies (Jakubíková, 2013). Secondary goals are to find ways how to achieve better financial or other goals of the company (Dědková and Honzáková, 2008).

Kotler and Keller (2012) add that monitoring macro and microenvironment through a set of monitoring tools and their post analysis is crucial for spotting marketing opportunities. One of the tools used for post analysis is SWOT analysis. Besides classical summarisation of all those four categories, SWOT analysis can be used for creating a simple marketing strategy based (more in chapters below).

1.6 Marketing goals

The company can move to the next step of the marketing plan which is to determine marketing goals after conducting the situational analysis and its evaluation, for example, by conducting analysis SWOT (Dědková and Honzáková, 2008). It is important to remember that marketing goals are derived from primary company's the goals. Marketing goals are a specific set of goals for a limited time period for marketing department of the company. In large companies each business unit might have its own marketing and therefore its marketing goals.

Marketing goals most often relate to new or existing products or to current or new targeted markets. Marketing goals should be appropriately determined based on knowledge of customer needs and wants (Wong, Radel and Ramsaran-Fowdar, 2019), understandable, realistically achievable and last but not least logically and hierarchically organized. According to Wong, Radel and Ramsaran-Fowdar (2019, page 8) marketing

goals *'state, what products are to be sold to which markets—addressing market growth, market share, or profits.'*

Companies often operate either on the entire market or only on the part of it. So, they often might choose differentiated marketing, focusing only on one or more customer segments that they are trying to satisfy. This process is called *market segmentation*. By segmenting the market, the company can deliver more personalised products to different groups of customers. In international context marketing goals might be connected to specific segments, not the targeted markets.

Goals (including KPI) are specific numbers that represents a hypothetical desired performance in the future. The common practice is to set KPI for measuring the strategy performances over the set time period.

Wong, Radel and Ramsaran-Fowdar (2019) add that goals (authors call marketing goals marketing objectives) should follow the SMART logic means specific, measurable, achievable, realistic and time-bound.

1.7 Marketing strategies

Marketing strategies are the basis for meeting marketing and business goals. According to Kotler and Keller (2012) this part of marketing plan *'defines the mission, marketing and financial objectives, and needs the market offering is intended to satisfy as well as its competitive positioning.'* Differentiating the marketing goals and the marketing strategies is important. Marketing goals set hypothetical targets of where the company wants to be in future while marketing strategies state how to achieve those goals.

It is up to the management ability to determine appropriate strategies to achieve marketing goals. It is therefore very important to identify and understand the strengths and weaknesses of the business and to properly combine them with opportunities which come from outside of the company. Needless to say, that a well-chosen target audience is a key to a successful business.

Michael Porter summarised strategies into three basic types: low-cost producer, differentiation, and focused. Low-cost producers focused on the lowest possible cost and resulting in lower price of products compared to the competition. In the case of

differentiation, the company seeks to differentiate itself by offering specific added value to its customers; often this value is focused on quality or style (Kotler and Keller, 2012).

The focus of the strategy is trying to find and operate on niche markets where the company develops products and services which are not available by any competitor.

According to Blažková (2007), there are several types of marketing strategies. A quick summary of the most common marketing strategies is below this text. This summary is not a full list of all strategies possible rather it is a comprehensive overview of what factors marketing managers build strategies.

Table 1.7 – various marketing strategies

Strategies based on marketing mix
Production strategies – improvements in products and product differentiation
Pricing strategies
Distribution strategies
Communication strategies
Strategies based on growth
Ansoff strategies
Segmentation strategies
Integration strategies
Strategies based on competition
Porter's strategies
Bowman strategies
Strategies based on market lifecycle

Market entry strategies
Strategies growing markets
Strategies maturing markets
Strategies declining markets
Strategies sorted according to the major market trend
Growth strategies
Maintain strategies
Setback strategies
Strategies sorted according to the market behaviour
Offensive strategies
Defensive strategies - defence by price and quality, patent protection or exclusive distribution
Expansive strategies - Means attacking the weaknesses of the competition. It is necessary to get to know the competition, its product shortages, weaknesses and more factors
Strategies related to market environment
Cooperation strategies
Confrontational strategies

Source: Blažková (2007)

Marketing managers might use a combination of those strategies in order to achieve the marketing goals. Some of the competencies of marketing management is overlapping

with product management which might cause a dispute within the company. There is a thin line between product management and marketing management. Ideally, those two departments should work together to achieve the company's objectives. Lawley and Schure (2017) add that marketing managers *'create a demand for the product through effective messaging and programs.'*

Applying similar or the same marketing strategies worldwide have to be taken seriously because *'not all consumers are willing to accept products and marketing strategies that will „erase” their „national” identity and make it a „worldwide” one (Naghi and Para, 2013, page 173).'* Customers might take actions on social media and temporarily refuse to buy, the product or service that is having a negative national image (Naghi and Para, 2013).

Multinational companies and their branches' marketing strategies have little in common and must be localized in order to be successful. The marketing mix of those companies is so called *glocal*, meaning global and local in the same time (Naghi and Para, 2013).

1.7.1 Deciding on which strategy to choose

Marketing managers use data analysis and frameworks in order to support their strategy choice. The marketing manager can elevate insights from SWOT analysis, carry out Opportunity matrix analysis sometimes also called Ansoff Opportunity Matrix or carry out a Boston Consulting Matrix in order to explore the position on important markets. Ansoff Opportunity Matrix helps to prioritise the growth marketing strategies with relation to products and markets. It is often used as a supportive analysis as most of companies are oriented on growth. It reflects what the marketing opportunities and how the company should approach them are.

The opportunity matrix analysis, shown below this text, position opportunities with relation to the company's products and market situations. The matrix shows different strategies depending on how those variables are set.

Figure 1.7.1 – opportunity matrix

		Products	
		Present	New
Markets	Present	Market penetration	Product development
	New	Market development	Diversification

Source: OER2Go (2019)

Marketing penetration - This growth strategy uses current products and current markets intending to increase market share.

Market development - This growth strategy uses existing products to capture new markets.

Product development - This growth strategy uses new products in the existing market.

Diversification - This strategy creates completely new opportunities for the company by creating new products and new markets. OER2Go (2019)

1.8 Market segmentation

Nowadays the mainstream of marketing is considered to be a *target marketing*. Target marketing recognises market segments and focuses on those segments consisting of the customers whose needs and desires most closely match the the company's product or service offerings (Ward, 2018). Based on the segments the company implement a different marketing approach for each segment. Target marketing consists from three main steps: market segmenting, market positioning and target positioning.

Market segmenting is a process of identifying groups of buyers who might have similar buying characteristics by examining demographic, psychographic and behavioural differences among buyers (Kotler and Keller, 2012). *'Market segmentation divides a market into well-defined slice, (Kotler and Keller, 2014)'* each with unique needs and quants (Kotler and Keller, 2012).

Segmentation allows the company to explore the market on which it is operating and the potential markets growth, size, profits and sales. Intra-segment homogeneity is very important for segmentation. Also, the differences between segments are needed in order

to recognize the needs and wants, so the segmental heterogeneity is crucial as well. The segmentation process has 7 main steps (Kotler and Keller, 2012). Those are:

- Identification of the market needs or wants
- Examining demographic, psychographic and behavioural differences among buyers of each segment
- Determine the overall attractiveness of each segment
- Create a value proposition for each segment
- Create a marketing strategy for each segment

Targeting market is a process of deciding which segments the company focuses on. The segment's attractiveness and the company's objectives and resources must be considered in targeting a market. The company can either cover the mass market, focus on multiple segments or just a single segment or offer individual marketing (Kotler and Keller, 2012).

One option for marketers focusing on the *mass market* is to use *undifferentiated marketing*. It means offering the same products to all segments. The opposite strategy when focusing on mass market is to *differentiated marketing* at which the firm sells different products to all segments of the market (Kotler and Keller, 2012).

The company that focuses on *multiple segments* can choose to specialise in the product itself or the market itself. Market specialisation defines as concentrating on serving many needs of a customer group (Kotler and Keller, 2012).

The firm gains deep knowledge of the market when the the company focuses on a *single segment*. It allows the company to achieve strong market development and specialisation which might result in increased revenues (Kotler and Keller, 2012).

Mass customisation is a result of the single segment focus. The company develops processes which enables the creation of individual solutions in order to satisfy the needs of most of the customers (Kotler and Keller, 2012).

Target positioning is a process of developing market offerings specifically tailored to dome segments (Kotler and Keller, 2012).

1.9 Tools of the marketing mix

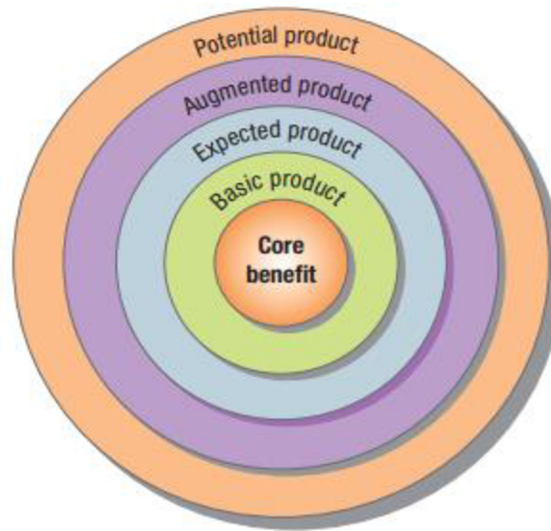
Companies choose tools of *marketing-mix* to satisfy selected market segments. Marketing strategies are than a combination of some of the tools of marketing mix. Kotler and Keller (2012) state that marketing-mix contains four broad kinds of tools which are called *Ps*. Those *Ps* are the product, price, place, promotion (Karlíček, 2013).

Each marketing-mix tool can have its role in the overall strategy. The company targets its segments through each marketing mix element.

Product

The *product* or *service* is the cornerstone of marketing mix tools. The product or service should address the needs, requirements and wishes of its customer. The object of interest is not the product or service as such, but how it satisfies the needs and wishes of the customer. Tangible products consist of physical (material) part and information related to services connected to that product while intangible products lack the physical form which is replaced by digital form or sometimes, they are called services or digital products. Essential in choosing the product strategy is, at what stage of the life cycle the product is. Strategies vary for a brand-new product and for a product that has been on the market for several years. Products itself have many levels according to how customer views them. Kotler and Keller (2012) distinguish five levels of the product as shown in the picture below this text.

Figure 1.9 – product layers



Source: Kotler and Keller (2012, page 326)

The *core product* is what the customer is primarily buying. It is the benefit or the added value which the product brings to the customer. For example, in the product in the hotel industry is a hotel room.

The *basic product* is ‘all the qualities of the product (Patty, 2019).’ Marketers turn the core product into the basic product by adding a basic form of the product. In terms of the hotel it means that the hotel room contains a bed, tables, shower, cabinets and chairs. Basic product can also be seen as a mock-up or low-fidelity prototype in digital form.

The *expected product* is what buyers usually expect when they buy similar products. This product can compete in the market (Patty, 2019). For example, hotel room equipment made with comfortable and soft materials.

The *augmented product* is the part of the product that should exceed customer’s expectations. The positioning of the product is used within the targeted markets and segments in order to set the expectation to the level which helps to hide some features that later spark the excitement and exceed the customer’s expectations (Kotler and Keller, 2012).

The *potential product* is the future of the product. It might also be called the expected future.

Price

The *price* is the only element of the marketing mix that generates revenues for the company. Price is also a very flexible marketing tool that can unlike a product quickly change. Every company makes its pricing differently. Ideally, prices should be determined by a marketing manager or sales representatives. The price depends on the maturity of the market, the price of competing products, the production costs and other factors.

Correct pricing is very important. Properly executed marketing can be characterized by avoiding the price as a marketing tool. Price cuts may be attractive because they attract more buyers but also has a negative impact on the company's margin and profit. Regular use of pricing tools (such as discounts) is not aligned with the effort to build a strong market position and strong brand which is based on product features and benefits (Pelsmacker, Geuens and Bergh, 2003).

Promotion

Promotion is the most visible part of the marketing mix. It helps to communicate the products and persuade potential customers into the product's benefits. According to Kotler and Keller (2012) communication mix consist of following levels.

- *Advertising* means any paid form of impersonal presentation and promotion of ideas, goods or services by clearly indicated sponsor through a print media (newspapers and magazines), broadcast media (radio and television), networking media (telephone, cable, satellite, social media), electronic media (audio tapes, videotapes, web pages) and display media (billboards, signs, posters).
- *Sales promotion* includes a wide range of short-term impulses encouraging customers to try or purchase a product or service. The promotion takes many forms such as samples, coupons, gifts cards or discount vouchers.
- *Events and experiences* are activities that the company sponsors. Those activities are designed to support the brand of the company in special and more personally relevant moments in consumers' lives.
- *Public relations* aim to promote or protect the image of the company and communicate its products to the public (consumers, media, competitor's government). The main tools of public relation communications are

publications, events, news, community affairs, lobbying, and social responsibility.

- *Direct marketing* is often associated with using phone, websites, email or social media in order to promote the products or services directly to customers. An essential part of the direct marketing is campaign planning tailored to specific markets, segments and prospects.
- *Interactive marketing* is a complex set of well-designed promotion tools such as websites, display ads and e-mailing which all create highly individual targeting. Such a form of the advertisement includes for example personalisation of the websites and online content to customers taste.
- *Word-of-mouth* aims to encourage discussions about the products and services among its users. This form of marketing is often associated with social media such as Facebook, YouTube and Twitter.
- *Salespeople* are a face to face interaction with one or more potential customers in order to present the product, answer questions and accept orders.

It is important to consider the different economic, political and administrative environment in the context of international marketing according to Dědková and Honzáková (2012). However, the most complex and at the same time an important part of international marketing when it comes to promotion is culture. Understanding the targeted market culture is crucial for the success of the promotion (Dědková and Honzáková, 2012).

A paid or free form of advertising targeted at a product promotion, services, brand or company's vision aimed primarily at increasing sales. Advertising is often impersonal and is usually not as convincing as business company representatives. Recipients of an advertising message do not feel obliged to respond to it.

When choosing the structure and combination of different forms of marketing communication, it depends primarily on the type of market where the business operates, the type of strategy, the life cycle of the product and its maturity and the customer segment to which the business seeks to many other factors.

Place

Placement or distribution is an important part of the marketing mix. In the marketing, context distribution means delivering correct products or services to correct customers in time. Distribution covers areas such as delivery, packaging, storing, communication with logistics and distribution channels.

The strategic choice of a distribution channel requires the investigation of several key areas. These include customer preferences and their understanding, all mutual relationships of all distribution participants and their creation and maintenance. Marketing strategies focus on choosing the most optimal and effective form distribution. There are three strategies according to the number of intermediaries used in the distribution process:

- *Exclusive distribution* – This strategy substantially limits the number of intermediaries to a minimum. It is used when the manufacturer desires to control the quality of offered goods or services
- *Selective distribution* – The strategy grants access to sell or offer products or services to those sellers who meet certain criteria often both qualitative and quantitative. That means that not every seller who would like to sell the company's product or services can sell them (Lang, 1984).
- *Intense distribution* – this strategy is based on large offerings of the products to the sellers and is often used in products with everyday use such as food or beverages.

Product availability also has an emotional impact on the customer. The distribution process can be both a positive and negative experience for the customer. This experience is also part of the price of the products or services. Luxury brands largely emphasise on the customer's experience associated with distributing of their products (Karlíček, 2013)

1.10 Execution of marketing plan

Execution stage means putting the marketing plan into everyday practice *'It is about developing a marketing strategy and marketing mix into specific activities and tasks.* (Jakubíková, 2008, page 70), ' Every element of marketing the strategy is specified to

answer the following questions:

- What to do?
- Who does what tasks and who is responsible for them?
- When the tasks should be finalized and who should perform them?
- What is the budget?

This part of the marketing plan specifies the budget for all marketing related tasks. Budgets should be compiled with an accent to profitability.

1.11 Controlling marketing activities

Control is an integral part of the marketing management process and is its last stage of it. The essence of control is to evaluate whether the strategies used represented the best options for achieving the predefined objectives. If not, it is important to note down the problems associated with it and correct the course.

A key factor is also the control of the currently used strategies. It is important to measure and determine wherever the current marketing strategy is successful. Monitoring and continually reviewing basic strategic premise is an essential part of the success of the marketing strategy. Marketing managers measure the performance of marketing strategies and obtain the following data:

- How are the results of the marketing strategy with relation to the KPIs?
- Are the marketing strategies in need of correction?

Ideally, the outcome from the controlling process should correlate with the predefined marketing strategy. In the case of the opposite, the strategy has to be changed or corrected.

2. ANALYTICAL PART 1/2 - CUSTOMERS SEGMENTATION ANALYSIS

This chapter is dedicated to segmenting the potential and existing customers of a selected company called *Ing. Jiri Vesely*, VAT number 6104070280 (Penzion U Veselých, 2019a). The description of the company can be found in chapter 4. The segmentation is carried out by analysing web traffic stored at Google Analytics platform. Those data are highly reliable and accurate. Google Analytics platform is used as a primary source of data due to advanced segmentation tools (Brunec, 2017).

First limitation of Google Analytics which author takes into account in this thesis is the origin of the demographics data are derived according the Googl, Inc. (2019d) from *'Third-party DoubleClick cookie, Android Advertising ID or iOS Identifier for Advertisers (IDFA)'*. Therefore, those data are only for rough overview rather than precise calculation.

Secodn limitation is the length of the datasets which is three years. The dataset starts on the 11st of April 2017 and lasts to 17th of April 2019. Due to the General Data Protection Regulation (GDPR) the representative sample is sometimes reduced to the last three months, 17th of January to 17th of April 2019. When this limitation occurs, it is said at the beginning at the beginning of the part of the analysis. All the data are taken from the Google Analytics account UA-13060982-2 or UA-13060982-4 and not referenced. The primary segmentation is by languages. The hypothesis is as follows:

H1: Different channels and language setting view different content.

Each language traffic is possible to uniquely reference. Uniform Resource Locators (URLs) author is going to analyse each language separately and then combine those results:

- <http://www.veselypenzion.cz> for the Czech version. URL does not contain a string which contains /DE/ or /EN/ or /PL/.
- <https://www.veselypenzion.cz/DE/index.php> for a German version. URL contains /DE/ string.
- <https://www.veselypenzion.cz/EN/index.php> for English version and. URL

contains /EN/ string.

- <https://www.veselypenzion.cz/PL/index.php> for a Polish version. URL contains PL string.

Needless to say, that this analysis is more precise than relying on the Google Analytics language sorting function. Segmenting by URL clearly distinguishes the content from user's perspective. When a native Google Analytics function for sorting is used, the view might be distorted as Google Analytics uses a browser language setting (Weber, 2013).

2.1 Czech language URLs

This chapter analyses all web traffic which corresponds with the Czech language on the domain <https://www.veselypenzion.cz>. It is wider chapter than those dedicated to Polish, German and English language as the web traffic which accounts for the Czech language is the largest of the four.

2.1.1 Sources of acquisition of sessions

The entire three years dataset has been used for this chapter's table. *Channels* represent the source or origin of the past sessions of the website. There are several types of channels. *Organic search* traffic are sessions which came from search engine results pages (SERP) without paid ads. *Paid ads* are those sessions which came to the website via paid Google or other search engine ads. *Direct* sessions type the domain name directly to the browser. *Referral* sessions came to the website by clicking on the link on some other website and come to domain [veselypenzion.cz](https://www.veselypenzion.cz). Social media accounts for traffic from social media sites (Brunec, 2017).

Over 60 % of all sessions accounts for organic or direct sessions. This finding means that the company's brand is known but at the same time being explored by new customers. It is the obvious choice of widespread of the company's name among direct users is a word-of-mouth. This might indicate a very positive goodwill of the company.

Table 2. 1. 1 – channels of the Czech language of [veselypenzion.cz](https://www.veselypenzion.cz)

Name of the channel	# of sessions	% of all sessions
Organic search	3 643	31,57 %
Direct	3 620	31,37 %
Other	1 759	15,24 %
Referral	1 665	14,43 %
Paid Search	570	4,94 %
Social	284	2,46 %
Total	11 541	100 %

Source: Google Analytics account UA-13060982-4

Sessions, more precisely its users, are usually 25 to 44 years old in 60,05 % of all traffic. The organic sessions generation is mostly by younger users. Precisely 36,29 % of all organic session accounts for sessions which user's age is between 25 to 34 and another 29,05 % which user's age is between 35 to 44.

The primary type of device is desktop which accounts for 89,29 % of all sessions and mobile accounts for only 4,96 %. Mobile organic traffic is lower than desktop traffic by significant means. It indicated that holiday is searched primarily at home in a quiet environment on large screens.

2.1.2 Content structure of all channels

The entire three years dataset has been used for this chapter's table. The chapter describes the content and its order viewed by all sessions in Czech language setting. All session searched the web content in the order which describes the table below this text:

Table 2.1.2 – content searched by all sessions of the Czech language of veselypezion.cz

Page URL	# of pageviews	% of all pageviews
/	9 321	22,03 %
/ceny.php	6 492	15,34 %

/foto.php	3 888	9,19 %
/akce.php	2 871	6,79 %
/rezervace.php	2 416	5,71 %
/kontakt.php	2 358	5,57 %
The rest	14 962	29,80 %
Total	42 308	100 %

Source: Google Analytics account UA-13060982-4

Homepage (22,03 %), pricing (14,34 %) and photos (9,19 %) are the most important part of the website on average according this analysis. The order is also important. Pricing is twice that important as photos. Overall the Czech potential and real customers are price sensitive according those results.

2.1.3 Content structure of direct channel

The entire three years dataset has been used for this chapter's table. This chapter examines the content viewed by the only session which originated as direct. The direct channel accounts for 31,37 % of all traffic related to Czech language setting therefore it is important to know wherever there are some anomalies in content viewed compare to overall content structure within related to the Czech language setting.

Table 2.1.3 – content searched by direct channel sessions of the Czech language of veselypezion.cz

Page URL	# of pageviews	% of all pageviews of the direct channel segment
/	3 296	29,04 %
/ceny.php	1 635	14,41 %
/foto.php	1 111	9,79 %
/akce.php	667	5,88 %
/kontakt.php	664	5,85 %

/rezervace.php	619	5,45 %
The rest	3 358	29,58 %
Total	11 350	100 %

Source: Google Analytics account UA-13060982-7

As we can see the order is similar to overall content structure, but the homepage have significantly more pageviews. This finding is because when typing to the browser the name of the firm it most cases the user lands in the homepage of the website. This assumption is confirmed when author analyse the landing pages of the Czech language setting of the website. Homepage was the landing page for direct user's in 35,81 %, followed by pricing (13,28 %) and photos (12,70 %).

Interesting findings are that apart Travel/Trips by Destination/Trips to Europe this segment is also interested in Real Estate/Residential Properties according to Google Analytics insights.

2.1.4 Content structure of organic channel

The entire three years dataset has been used for this chapter's table. This chapter examines the content viewed by the only session which originated as organic searches. Author expects some anomalies compare to the direct channel web traffic.

Table 2.1.4 – content searched by organic channel sessions of the Czech language of veselypezion.cz

Page URL	# of pageviews	% of all pageviews of the segment
/	3 169	24,01 %
/ceny.php	2 078	15,75 %
/foto.php	1 174	8,90 %
/akce.php	1 061	8,04 %
/kontakt.php	862	6,53 %

/rezervace.php	843	6,39 %
The rest		
Total	13 196	100 %

Source: Google Analytics account UA-13060982-4

Sessions within this segment tend to search for more pricing (15,75 %) than those who come to the web directly (14,41 %). This segment also tends to visit more packages (8,04 %) compare to the direct channel (5,88 %). Both factors combine suggest that potential or real customers within this segment tend to look at pricing options such as discounts or packages. However, it might also indicate a need for so called *Experience tourism*.

2.2 German language URLs

This chapter analyses all web traffic which corresponds with the German language on the domain <https://www.veselypenzion.cz>. It connects to the theory describes in chapter one and previous chapter. German language setting is the second most important overall.

2.2.1 Sources of acquisition of sessions

The entire three years dataset has been used for this chapter's table. Over 80 % of all session's accounts for organic or direct acquisition. The company's brand is known among German customers and at the same time it is being explored by new customers. However, compared to the Czech language setting (31,57 %) the number of organic sessions is slightly higher in the German language setting (33,58 %). This indicates that the brand is not so strong in Germany.

Table 2.2.1 – channels of the German language of veselypezion.cz

Name of the channel	# of sessions	% of all sessions
Organic search	610	43,90 %
Direct	542	39,00 %

Paid Search	116	8,40 %
The rest	121	8,70 %
Total	1 389	100 %

Source: Google Analytics account UA-13060982-2

The setting of Google Analytics does prevent us from determining the age of the users and other demographics insights. Therefore, the analysis of hobbies, age and gender is not possible.

The primary type of device is mobile which accounts for 57,38 % of all sessions and desktop accounts for only 31,17 %. There is a significant difference between Czech and German sessions. While Czech users search penzion U Veselych on desktop primarily, German users search on mobile primarily.

2.2.2 Content structure of all channels

The entire three years dataset has been used for this chapter's table. The chapter describes the content and its order viewed by all sessions in German language setting. All session searched the web content in the order which the table below this text describes:

Table 2.2.2 – content searched by all sessions of the German language of veselypezion.cz

Page URL	# of pageviews	% of all pageviews
/DE/index.php	1 497	33,58 %
/DE//ceny.php	538	12,07 %
/DE/rezervace.php	299	6,71 %
/DE/	258	5,79 %
/DE/wellness.php	257	5,76 %
/DE/zima.php	216	4,85 %

The rest	1 393	31,24 %
Total	4 458	100 %

Source: Google Analytics account UA-13060982-4

Homepage (33,59 %), pricing (12,07 %) and reservation (6,71 %) are the most important part of the website on average. However, the wellness and winter categories are relatively high compared to the Czech sessions. This finding indicates that the German segment of the users tends to look at the quality, wellness and free time activities during the decision-making process.

This finding is confirmed by International Medical Travel Journal (2018) *'Recent survey commissioned by leading German wellness hotel marketing group finds more interest in wellness breaks, with stays between 5-8 days increasing in popularity.'* German population seeks more and more often a so-called wellness break.

2.2.3 Content structure of direct channel

The entire three years dataset has been used for this chapter's table. This chapter examines the content viewed by only session which originated as direct.

Table 2.2.3 – content searched by direct channel sessions of the German language of veselypezion.cz

Page URL	# of pageviews	% of all pageviews of the segment
/DE/index.php	639	37,88 %
/DE//ceny.php	232	13,75 %
/DE/rezervace.php	114	6,76 %
/DE/zima.php	97	5,75 %
/DE/foto.php	94	5,57 %
/DE/zimaaktivita.php	68	4,03 %
The rest	443	26,26 %

Total	1 687	100 %
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Source: Google Analytics account UA-13060982-4

Sessions within this segment tend to search for more pricing-oriented content than those who come to web organically. This finding is the opposite compare to the Czech language setting. A page winter activity got into top 6 most viewed content. This again supports the argument that German sessions and its users tend to look for more than just a holiday.

2.2.4 Content structure of organic channel

The entire three years dataset has been used for this chapter's table. This chapter examines the content viewed by only session which originated as organic.

Table 2.2.4 – content searched by organic channel sessions of the German language of veselypezion.cz

Page URL	# of pageviews	% of all pageviews of the segment
/DE/index.php	682	45,62 %
/DE//ceny.php	190	12,71 %
/DE/zimaactivity.php	136	9,10 %
/DE/rezervace.php	99	6,62 %
/DE/balicky.php	79	5,28 %
/DE/ubytovani.php	55	3,68 %
The rest	254	13,99 %
Total	1 495	100 %

Source: Google Analytics account UA-13060982-4

Homepage (45,62 %), pricing (12,71 %) and winter activities (9,10 %) are the most important part of the website for organic sessions. However, those sessions also viewed accommodation (3,68 %) and packages (5,28 %). This findings indicates again that the

German segment of the users who come via search engines tends to look at the quality and free time activities during the decision-making process.

2.3 Other languages URLs

This chapter contains a brief description of the behaviour of the last two language settings. This separation is due to the small amount of data that languages settings have. Just by the amount of data author assumes that Czech and German speaking potential or real customers are the primary language segments while English and Polish speaking potential or real customers are secondary.

2.3.1 English language

The Google Analytics account for this brief analysis is UA-13060982-4 with setting to a segment only those URL containing the sting /DE/. This segment's web traffic originates mostly in typing the name of the company into the web browser (direct). This form of acquisition accounts for 53 % of all web traffic; another 26 % accounts for organic search and 10 for a referral. Unlike the Czech version, we cannot determine hobbies or age due to Google Analytics restrictions. The order in which a website's content is consumed follows the pricing-oriented approach of the users. The differences between direct and organic web traffic are rather small. However, a URL */EN/penzion.php* is in TOP 6 most viewed content in both types. This indicates the tendency to look at content-oriented pages on the website alongside the pricing.

2.3.2 Polish language

The Google Analytics account for this brief analysis is UA-13060982-4 with setting to a segment only those URL containing the sting /PL/. Polish language setting's mainly visiting users form paid search (36,6 %), followed by organic results (24,8 %), direct (23,8 %) and referral (14 %). Compare to Czech language setting polish users are mostly female 34 to 44 (34,76) years old. The order in which a website's content is consumed follows the pricing-oriented approach of the users. Users who come via organic search tend to visit in September to March.

2.4 Quick summary

The primary type of device is desktop which indicates that holiday is searched primarily at home in a quiet environment on large screens in the Czech language setting.

Czech language setting sessions, more precisely its users, are usually 25 to 44 years old. The organic sessions are generated mostly by younger users. Second most important are direct sessions.

For all sessions within in the Czech language setting the pricing is twice that important as photos. Overall the Czech potential and real customers are price sensitive according those results.

Organic channels are interested in looking at pricing options such as discounts or packages or in Experience tourism. While direct sessions are mostly oriented in pricing only. Notable anomaly is that direct sessions hobbies according to Google Analytics insights are Real Estate/Residential Properties.

H1 in terms of the Czech language setting is partly confirmed as different channels scroll slightly different content.

German language setting of the website and its sessions are priority using the mobile to search their holiday according the data from Google Analytics. This is the opposite behaviour compare to the Czech language setting.

For all sessions within in the German language setting wellness and winter categories are relatively high compare to the Czech sessions which indicates tendency to look at quality, wellness and free time activities during the decision-making process. This tendency is notable when analysing separately the direct and organic sessions. In both categories a content related to activities and wellness is displayed.

H1 in terms of the German language setting is rejected as different channels scroll identical content.

English language setting sessions mainly originates as direct which is much higher compare to the Czech and German language setting. The consumed content of organic and direct and all sessions is the same. However English audience views a description of the company, so called content-oriented pages on the website alongside the pricing.

H1 in term of English language setting is partly rejected as compare to different language setting, English audience consumes content-oriented parts of the website.

As for Polish language setting the data shows the pricing-oriented approach of the users therefore H1 is rejected.

Author have identified four language setting and two main channels which serves as acquisition for sessions for the domain name <https://www.veselypenzion.cz>. The table below shows how H1 in all language settings and two main channels.

Table 2.4 – H1 results

Czech language setting - Organic	Pricing options such as discounts or packages or in Experience tourism	H1 partly confirmed.
Czech language setting - Direct	Pricing only	
German language setting - organic	Activities and wellness	H1 rejected
German language setting - direct	Activities and wellness	
English language setting - organic	Pricing only, description of the company	H1 rejected
English language setting - direct	Pricing only, description of the company	
Polish language setting – organic	Pricing only	H1 rejected
Polish language setting – direct	Pricing only	

Source: authors analysis

Although H1 is overall rejected author of this thesis identified following segments when analysing the web traffic for all languages.

- German speaking customers who is looking for free-time predefined activities with tendency to search on mobile. This type of customer is quality sensitive and often searches wellness activities.
- Czech speaking customer who is interested in Real Estate/Residential Properties or traveling, searches on the desktop and his or her age is between 25 to 44. This type of customer is price sensitive and often searches discounts, vouchers and packages.

3. ANALYTICAL PART 2/2 – MARKETING ACTIVITIES ANALYSIS

Following chapter analyses all the available and gathered information about the company itself, its marketing mix, its environment and competition. There is clear SWOT analysis at the end of the chapter to point out the strengths and the opportunities.

3.1 The company characteristics

Ing. Jiří Veselý company was established in autumn 1990 (Peníze, 2019). It is being located in the Giant Mountains area specifically in Krkonoše National Park in Královehradecký region. The company is more known under the name penzion U Veselých which is the name this master's thesis will work with. Penzion U Veselých is a purely a Czech company owned by Ing. Jiří Veselý. The word company is not the correct term. The more proprietary description is Trade which operates under Trade Certificate (Peníze, 2019). The company's business labels as a hotel for the simplification purposes of this master's thesis. The correct label is *penzion* in Czech language or *pension* in English or *pensione* in Italian. When talking about different types of accommodation English speaking audience does not recognise differences between hotel and pension; therefore, the author decided to label the company property as a hotel. However, the pension is originated from the Italian word *pensione* which mean a small hotel according to the Cambridge dictionary (2019).

The company from its beginning operates in the tourism and hotel industry. The length of operation of the company is impressive given the fact that the industry underwent major changes and shifts in the past couple of years. The company started as a simple hotel for tourists who are seeking relaxing activities in the highest mountains in the Czech Republic. Since then it evolved its services into offering packages for various types of tourists, massages, wellness services and meal and beverages offerings. The hotel underwent a significant amount of reconstructions to offer up-to-date standards for rooms and services in the last 29 years. The most notable reconstruction is adding new rooms capacity and building a wellness centre for its guests (Veselý, 2019).

The company built its image as a small hotel operated by one family. The attractive part

is that Tomáš and Jiří Veselý design parts of the hotel themselves. The mix of Alpine and traditional Czech interior architecture style gives the hotel's interior a unique look. This design is also the company's biggest competitive advantage as its customers like the interior (Veselý, 2019).

The company business model is based on offering *full-service* yet reasonably priced accommodation. The full-service offer includes breakfast, dinner, wellness, parking and rooms in a single price. Above that, the company offers an attractive theme package: for romantic's holiday, holiday for seniors and holiday for wine lovers (Veselý, 2019).

The company builds its success in its approach towards its customers: a family hotel run by a single family. Such an approach is also inspired in the Alpine tourism industry (Veselý, 2019).

The company operates on the Czech, German and Polish market. Although it might be not accurate its potential and real customers are the best sum up by data from Google Analytics. The conversion rate between available data for the Czech speaking audience is 11,04 %, 1 264 pageviews of the reservation form. The dataset starts on the 11st of April 2017 and lasts to 17th of April 2019. All the data are taken from the Google Analytics account UA-13060982-2 or UA-13060982-4 and not referenced. The German and Polish market is significantly smaller according to Mr Veselý (2019).

3.2 Analysis of the company's marketing mix

3.2.1 Product

Penzion U Veselých offers a hotel services. Those services are then complemented by complementary services which connect to the relaxing activities and *experience tourism* (penzion U Veselých, 2019b).

The primary service is rental of the room. Rooms are being quieted with rustic furniture and modern wooden walls decoration. Each room has its bathroom, cabinet, table, chairs and bed. This service addresses the primary need of guests that are travelling to the Giant Mountains; to have a space for sleeping (penzion U Veselých, 2019b).

Penzion U Veselých also offers a variety of additional services which comply with the so-called basic product. Those services are a wide range of cold and hot beverages at

the bar, possible dinner and breakfast in form buffet, wellness centre with active whirlpool, sauna and gym and playroom with table tennis and billiard. Depending on the date those additional services are included in the overall price of the stay. The basic product and those services together create so-called expected product (penzion U Veselých, 2019b).

Figure 3.2.1.1 – Alpine design elements in the wellness centre



Source: penzion U Veselých Gallery (2019b)

The additional value the company offers lies in the company's attitude towards its customers. This attitude brings together long-standing tradition of the Giant Mountains hotel and tourism industry and an Alpine kindness and design elements inside the rooms and the entire hotel. This addicted value creates the augmented product which majority of the customers appreciate (penzion U Veselých, 2019b).

Figure 3.2.1.2 – rooms of the penzion U Veselých



Source: penzion U Veselých Gallery (2019b)

The company extended its activities also into offering a small conference hall for team building activities. Such an extension helped to diversify the potential customers also to managers who are looking for a quiet place for their team building (penzion U Veselých, 2019c). Another service the company offers is a variety of packages namely for the seniors, couples and wine lovers. Those packages helped to expand to the more experience-oriented tourists (penzion U Veselých, 2019e).

Author of this master thesis refers to the production to mostly the daily routine connected to running the hotel. Those activities are making beds, cleaning the hotel, managing booking and inquiries, cooking and serving tech quests and generally entertaining them. Mrs. Veselá and Mr. Veselý do those activities. The fact that two persons do all activities puts a lot of pressure on them and result in occasional negative reviews on booking sites. There is however a strong accent on the automation of the production.

3.2.2 Price

A potential buyer has several options depending on the type of the season, desired services and age. Main and preferred by most of the customers is accommodation with breakfast and dinner. Another option is to order accommodation with only a breakfast.

The third option is ordering a package with a fixed price and pre-set of activities and services (penzion U Veselých, 2019e, 2019f).

Tourists behaviour changes depending on wherever it is the high season or low season. The high season typical purchase is full-service. This term means parking, wellness, meals and accommodation. On the other hand, is the part-inclusive which excludes the dinner meal and wellness from the price. Tourist also can mix; for example, in the high season do not order meals and wellness. The pricing also depends on the age of the tourist. Tourists are being categorized into adults, children and babies (penzion U Veselých, 2019f).

The price for one night's per person stays in high season is relative, however, in the year 2018, it was equal to 850 Czech Crowns (CZK) in winter and 580 CZK in summer for an adult person. The price in low season in 2018 was 780 CZK in winter and 500 CZK in summer for an adult person. The meal option (breakfast and dinner) was equal in the year 2018 to 100 CZK for any age. The price deduction for children regardless of meal options was equal to 100 CZK from the adult price in the year 2018. The price for babies is 100 CZK regardless of the season or meal options. The pricing for packages is fixed. Romantic package costs 3 100 CZK for two nights for two persons with wellness and meal in the year 2018. Senior experience touristic package cost 7 000 CZK for six nights for two persons in the year 2018. The touristic wine package costs 3 100 CZK for two nights for two persons with wellness and meal in the year 2018 (penzion U Veselých, 2019f).

The complexity of the pricing is due to the general tradition to set different pricing in high and low seasons. Such a model is typical for the tourism industry. The pricing also depends on the price of the food and the amount of snow last year Mr. Veselý (2019) adds.

The pricing strategy based on offering good ration between the price and performance with the desire to offer full-services if possible. The price of the food heavily influences the overall hotel's price range.

3.2.3 Place

Distribution of the services is mainly via word-of-mouth and recommendation, secondly

via travel servers. The recommendation is an extremely important factor according to Mr Veselý (2019). Mr Veselý (2019) adds that most of the accommodation services and the entire hotel industry are built on the recommendation. Xiang, Du, Ma and Fan (2017) supports that and claim that there are issues connected to a recommendation based on only algorithmic approach *'reveals important data quality issues and contributes to the theoretical foundations of social media analytics in hospitality and tourism.'*

The most important source of information about the services is the company's website presentation. This presentation was not only tuned to appeal to the hotel's customers but also to appeal search engines.

Another significant presence of the hotel is in online booking and aggregators. Those websites such as Booking.com or eHotel.com serves as a display profile but also a place for ordering an accommodation. Penzion U Veselých prefers a direct communication and ordering via its website due to more personal communication with the potential guest (Veselý, 2019).

The company strategy is to maximise the order's that are coming from its website while being a presence on booking and aggregators. The presence on booking and aggregator sites is generally required in order to add creditability to the accommodation.

3.2.4 Promotion

The company's promotion relies mostly on free form of advertisement because most of the customers are coming from the recommendation (word-of-mouth).

Booking, aggregators and company's website are among the most important form of advertisement of the hotel. Especially the photos are tuned to appeal to potential customers. The same photos are being used through the entire promotions in order to be consistent in the eyes of the customer (Veselý, 2019).

A form of paid advertising on search engines is used before the high season in order to fill reminding rooms. The same strategy is also used on booking and aggregator's servers.

The company pay strong attention to the Google recommendation for web optimisation

so that it positions itself on first pages for various words connected to tourism in a near town called Pec pod Sněžkou. The optimisation includes regularly update information on Google My business for example or being a presence on the Google Maps (Veselý, 2019).

Another form of a promotion are social networks, namely Facebook. This social network is used for sharing interesting activities in specific times or weather forecasts for potential customers. The weather information and events news are highly valued according to Mr Veselý and Facebook comment from 2018 and 2017.

3.3 PEST analysis

As for the situation analysis which is often part of the marketing plan, author decided to carry out a PEST analysis of the external environment of the business. The author focuses on factors which affect the tourism industry in the Czech Republic especially than in the Giant Mountains or specifically Pec pod Sněžkou, Velká Úpa.

3.3.1 Political

The tourism industry in the Czech Republic is a rather developed market with over 6 020 hotels or accommodation places. Such a number is for example more than sum of all hotels in Switzerland. (Skalková, 2017). The highest density of hotels and other types of accommodations is the Giant Mountains area.

Despite dozens of scandals including potential money laundering, the Czech prime minister was accented to the White House in the year 2019 (ČTK, 2019a). While this visit certainly tightens the USA relationship with the Czech Republic, current president Miloš Zeman for change often travels to the People's Republic of China in order to secure investments in the Czech republic from Chinese investors (Palata, 2019). Those diplomatic visits also affects the tourist industry in the Czech Republic. Prague is the top destination for chinese tourists as for the year 2019. Threr is also a direct flight connection to Schenzen (Expedia Group, Inc., 2019) which supports the tourist inflow from People's Republic of China.

The Czech Republic is part of the European Union which supported the tourism industry in the period 2007 – 2013 through EU Structural Funds. The effect of those

funds on the inflow of tourist is mixed; however those funds helped to improve the overall level of comfort for the guests (Koklar and spol, 2015).

Apart global support of the tourism industry, the local governments work tightly with the Krkonoše National Park representatives in order to help the Giant mountain region and its tourism economy. However, the rapid increase of the popularity of the national park and the massive inflow of tourist rose questions over the sustainable growth of the area. Therefore, the national park representatives decided to increase the level of protected area within the park which confronts many of the businesses and villages that fears slowdown of the economic activity which is crucial for the region (Braun, 2019).

Furthermore, the Pec pod Sněžkou area is highly dependent on the development of the company SkiResort Černá Hora – Pec which is currently facing a threat in the form of increasing the protected area. Increases of the protected areas can further slowdown the development of the new ski slopes, connection to other ski centres within the area and general improvement of the mobility of the tourists.

3.3.2 Economic

The overall condition of the Czech Republic's economy has an effect on the tourism industry in the national parks as well. GDP growth is strong, accounts for 4,4 % in 2017 according to the World Bank (2019). The unemployment rate equals to 2,9 % in the year 2017 (Czech Statistical Office, 2019).

While the majority of foreign tourists visit Prague, Czech tourists head North to the Giant Mountains area. In the year 2018 the protected areas within the Krkonoše National Park was visited by 3,78 million of tourists which is more than 0,5 million than the year before. The data also shows that the Krkonoše National Park is one of the most visited national parks in entire Europe (ČTK, 2019b) when counted per visits.

All those tourists spent 11,8 million days accommodated which means the average stay is roughly 3,12 days long. The second most popular part of the national park is the Pec pod Sněžkou. The most visited time of the year is winter due to possibility of skiing (ČTK, 2019b).

Usual daily spending in the national park is less than 1 000 CZK per person according to the ISRR Krkonoše situation analysis carried out by SPF Group (2012).

3.3.3 Social

Czech visitors coming to the Giant Mountains often travel long distances over 100 km to get there. The majority are coming with the partner, friends. Only 25% of all visitors account for families. More the half of tourist visit duration is between 3 to 7 days; however, 30% of all visitors travel only for one day. Majority of the tourist sleeps in simple accommodations, pensions or three-star hotels, by friends or in their huts. Majority of the visitors comes by car and desires restaurant services. The main attractions are the touristic and sports activities. Over 80 % of tourists are returning visitors. More than half of the visitors received a recommendation from friends and did not interact with any advertisement or were not presude by any andvertisement to travel to the area. Over 10 % of the tourist come to enjoy wellness activities (SPF Group, 2012).

Foreign visitors account for German tourists, Polish tourists, Russian and Netherlands (SPF Group, 2012).

Although these findings are taken from research from the year 2012, Mr Veselý adds that it fits today's situation as well.

3.3.4 Technology

One of the most important factor is the convenience in the tourism industry. Therefore, new lifts were being built for winter activities in the eastern part of the Giant Mountains. Those investments are often being connected to investment to infrastructure such as parking lots or water reservoirs for snow canons.

One of the most important infrastructure project is the parking house project and bus terminal in Pec pod Sněžkou (Braun, 2018). This project promises to solve the parking problems tourists have to deal with when visiting this part of the national park (SPF Group, 2012).

Another technology advancement which effects the tourist industry in the Pec pod Sněžkou is the rise of booking platforms and accommodation aggregators. Those platforms are a natural monopoly and often dictates the condition for the hotels and other types of accommodation places. Czech authorities fined one of the biggest

platforms called Booking.com for favouring its booking site prices over the hotel's websites (ČTK, 2018).

Another potential semi-technological threat is the rise of selfie tourism. This recent phenomenon can be defined as: *'important here is solely the picture that's taken and not the attraction itself. (Tony, 2019)'* Although the trend is common on more touristy places such as Paris, it starts to be visible in the Giant Mountains as well. If the trend continues the length of the stay would shrink which might impact the quality of the services.

3.4 Competition analysis

This chapter is dedicated to analysis of the pricing and services of the competition. The author focuses on the same town and valley of the company's location. Guests might stay outside the Velká Úpa area; however, this area is known for its original housing architecture and quietness, therefore, author focuses on competition within the valley. Author analyses four hotels or pensions. Its findings can be found in the table below this text. A short comment on the analysis is at the end of the chapter.

Table 3.4 – Comparison of nearby hotels

Name of the accommodation	Location and parking options	Pricing options	Services provided
Penzion Modřín	Located right on ski slope and in village centre. Private parking near the hotel. (Penzion Modřín, 2019a)	Summer: Adult stay per night 690 CZK with breakfast, child 550 CZK. Winter: Depending on the date adult stay per night is 980 or 880 CZK, children are 650 CZK, wellness included.	Wellness including sauna, whirlpool, fitness and steam bath, restaurant services, paid massages, café bar and Wi-Fi (Penzion Modřín, 2019b)

		<p>Baby is 150 CZK per night in all seasons.</p> <p>Wellness package 2 990 CZK for one person for two nights all inclusive.</p> <p>Wellness costs 300 CZK per day per person (Penzion Modřín, 2019a),</p>	
Penzion Marienka	<p>727 meters from the ski lifts and village centre. Private parking at the hotel. (Penzion Marienka, 2019a)</p>	<p>Summer:</p> <p>Adult stay per night 550 CZK with breakfast, child 225 CZK.</p> <p>Winter:</p> <p>Depending on the date adult stay per night is 750, 1000, 750, 850, 700.</p> <p>Child is 50 percent off the adult price.</p> <p>Baby is free of charge.</p> <p>Sauna costs 200 CZK per person (min. 2)</p> <p>Dinner costs 150 CZK per person. (Penzion Marienka, 2019b)</p>	<p>Sauna, restaurant services, café bar, Wi-Fi (Penzion Marienka, 2019a)</p>
Hotel Atlas	<p>200 meters from the ski slopes and the village centre. Private parking</p>	<p>Summer:</p> <p>Adult stay per night is 570, with breakfast, child is 399. With stay with dinner is 690</p>	<p>Restaurant services, Wi-Fi, skis room, bikes room, trampoline, paid massage</p>

	at the hotel. (Hotel Atlas, 2019)	or 483 CZK per night per person. Winter: Depends on the date. Adult stay per night per person either 950, 690 per 890 with dinner or 760, 570, 820 with breakfast. Child cost 150 per night. (Hotel Atlas, 2019)	(Hotel Atlas, 2019)
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Source: authors analysis

Pension U Veselých offers similar services to the rest of the competition. There is one exception to the services offering and that is the absence of restaurant services. The company does not offer restaurant services which its competitors do. This absence is not necessarily a disadvantage as it allows the company to offer cheaper value compare to its competitors while having similar or better services in some categories such as wellness for instance.

3.4.1 Price comparison to its competitors

When comparing the high summer and winter season pricing and services included, the company stands out. The comparison is being clearly summarized in the table below this text.

Table 3.4.1 – Comparison of high summer and winter season pricing and services

Name of the accomodation	Summer high season in CZK	Winter high season in CZK	Wellness included in winter	Notes
Pension U Veselých	580	850	Yes	With dinner

Penzion Modřín	690	880	Yes	With breakfast
Penzion Marienka	550	850	No	With breakfast
Hotel Atlas	690	890	No	With dinner

Source: authors analysis

Penzion U Veselých offers in the winter season a wellness, breakfast and dinner for 850 CZK per adult per night. There is no other combination which offers such value for that price. Competitors either offer a restaurant service instead of dinner which eventually drives the prices of stay up from the customers perspective. Mr Veselý (2019) adds that guests are usually looking for breakfast and dinner with wellness or so-called full-services in winter. While in summer guests prefer breakfast and no wellness services.

The location might play a significant role in the decision-making process. Penzion U Veselých is not located in the centre of the village but conveniently close and with a nice view. The view and convenience of the location adds significantly to the overall feel of the place.

3.5 SWOT analysis

A SWOT analysis was created based on the marketing mix analysis, PEST analysis which is part of a situation analysis and competition analysis. The SWOT analysis aims to target weak and strong sides of the company as well as the threads and opportunities the company faces or can take advantage.

3.5.1 Strengths

- *Low production cost* – this is however also a weakness as the production is done only by the business owners,
- *Tradition* – the business was founded in 1990 and carried a long family tradition,
- *A high percentage of satisfied customers* (Mr Veselý),

- *Good location* – the hotel is conveniently located in the quieter part of the touristy Pec pod Sněžkou town yet very close to the centre,
- *Owns parking next to the hotel,*
- *Very well managed online presentation,*
- *Widespread of services,*
- *Strong accent on the automation of the production,*
- *Strong Facebook base.*

3.5.2 Weaknesses

- *Absence of restaurant services,*
- *Not located being directly on the ski slope or in the centre,*
- *Need to rely on booking websites and aggregator services* - it lowers the relationship with the customer to price and photos.

3.5.3 Opportunities

- *Luxury orientation* – possibility to build more luxury apartments within the existing hotels or expand its services to offer luxury hut that can be built next to the hotel,
- *Offer café services which are demanded worldwide,*
- *Offer restaurant services in peak seasons,*
- *Drive up the revenues by attracting guests with PPC advertisement.*

3.5.4 Threads

- *Selfie tourism* – shortening the length of the stay might negatively impact the company's revenues,
- *The slowdown in the infrastructure investments* – the investment in the guest's transportation convenience must keep going in order to increase mobility of the guests and the length of the stay,

- *The aging of owners* – the business does not have any strategy for the time of retirement of the owners,
- *Newly constructed large hotels* - which offers excellence restaurant services
- *Increasing number of protected areas* – which slows down the inflow of the guests and investment into the region

4. PROPOSED MARKETING PLAN

This chapter contains suggested recommendation, controlling activities, budgets and marketing plan for the penzion U Veselých company. This marketing plan is based on the defined segmentation of the customers, PEST analysis, marketing mix analysis and competition analysis with a combination of the theory described in chapter one.

4.1 Marketing mix improvements

The services penzion U Veselých offers are in line with the well establish industry standard with a bit of branding. The brand is based on the personal touch and communication with each guest and the unique design of the hotel.

4.1.1 Services improvements

Luxurious apartments

The hotel cannot compete with the newly build large complexes of apartments such as Aparthotel Svatý Vavřine (Svatý Vavřinec, 2019) but can expand its offering to a *large luxurious apartment with private kitchen and stylish furniture*. This apartment will have full access to the wellness zone. Such a new service would complement the existing offering with a new dimension and move the hotel into offering *reasonably priced luxury stay experience*. Based on the segmentation of the guests this offer would be aimed for the German guests' who seek experience tourism and wellness offerings. Further research is needed to determine the market potential; however, the improvement of services through expansive strategy into reasonably prices luxury apartments is a recent strategy of hotels and other accommodation in the entire Giant mountains. The growth of the apartments market in the Giant mountains is sky rocking (iDNES, 2018). Although most of the apartments are for sale, they of them lack the connection with wellness if they are being intended for renting (Veselý, 2019).

A Chalet Eisner hut in Velká Úpa offers a benchmark of ho how the living room and kitchen area should look like – a modern looking wooden interior with private TV and play station, wooden kitchen and nice view outside form the bedroom.

Based on the questionnaire conducted on 9th of May 2019, the demand for such services legit for Pole, German, Czech and Other nationalities. Such services were demanded by 12 families/individuals or couples out of 22. The demand was higher from guest that visited the hotel during the winter. And surprisingly by Czech speaking customers. German speaking customers were second (Dotaznik, 2019). The pricing for the German tourists was less important accounting for 3,75 point on scale 1 to 5 where one is the most important factor that effected the decision to purchase the accommodation. On the other hand, Pole accounts for 1,6 and Czech for 1,9 (Dotaznik, 2019). This finding confirms that German guests are looking for quality instead of quantity while Pole and Czech are the opposite.

Café bar

Another service the hotel is recommended to offer is *Café bar*. The hotel already offers a wide range of hot and cold beverages but does not offer a standard coffee menu. According to the MoneyMag (2019) the Czech nation consumes 19 500 tuns of coffee beans in the total value of 6,5 billion CZK. Having a Caffè Americano, Café Latte, Cappuccino, Espresso, Flat White and Mochaccino in a menu is must have in the 21st century for any hotel.

The style of the bar can be derived from the Bar *Raval* in Toronto, which combines a wooden carving and modern CNC technologies to create a uniquely looking piece of bar desk.

According to research questionnaire the quests also lacks a tank beer option. This request comes from Czech and German speaking tourists. The hotel can offer at least one or better two tank beers to attract more international quests. However, such additional services might have smaller impact on the decision-making process. Precisely accounts for 2,9 point on our scale (Dotaznik, 2019).

Lobby

The hotel possesses a classical lobby where guests can wait until their reservation is processed or where they can hang out for a cup of coffee. Such a lobby has a positive effect on the guest's loyalty (Krasulová, 2019). The lobby can be connected to Café bar in order to plan the architecture and design in one bundle and save costs. The lobby area is not usual in Giant Mountains the requirements of guests are rising and must the added

value of the hotel.

Rooms and other improvements

The rooms are central to the guests and their equipment is crucial. Suggestions from previously accommodated guests involve bigger beds or hairdryers in bathrooms. One respondent suggested to offer a flight for local bus timetable (Dotaznik, 2019). Both requirements however are not supported by the author of this master's thesis due relatively minor impact on the quality of offered services compare to the previously mentioned changes.

Needless to say, that services changes require an additional investment which has to be carefully calculated.

4.1.2 Price improvements

In terms of price author recommends adding the *price of wellness to the website* for better clarification of the hotel's policy on that matter as it was requested by some guests according to Mr Veselý (2019).

The guests are price sensitive according to the survey dedicated to improving services of the penzion U Veselých. Nearly 55 % of respondents would pay for more luxury apartment with access to wellness zone. Building such an apartment was advised in services improvements. The pricing for such service is derived as *average price for luxury hut in the area / average number of the rooms in the hut plus price for meals plus price for wellness*.

Table 4.2.2 – average price per person per luxury apartment in Velká Úpa

-	Chalet Eiser	Chata Petra	
Number of rooms	15	8	12
Price per hut	6 100 CZK	5 785 CZK	5 942 CZK
Desired price for accomodation			495 CZK

The table below shows the average price per person is 495 CZK. When meal, 80 CZK,

and wellness services 200 CZK per person are included, the overall cost of the luxury apartment is 775 CZK per person per night.

Needless to say, that this price is calculated for high and low summer, autumn and spring season. The winter price cannot be calculated due to the lack of data. However, from the current pricing of the rooms in penzion U Veselých, it will be equal to 1 075 CZK in high winter season. The winter price is roughly the summer price plus 300 CZK.

4.1.3 Place improvements

The company's strategy is to maximise the order's that are coming from its website while being a presence on booking and aggregators. Therefore, author recommends following improvements.

First improvement is the *company's website speed*. According to the GoogleSpeed Insights (Google Inc., 2019e), the speed can be improved by compressing the images and enhancing the code of the JavaScript. Those relatively small changes have an impact on SEO as Google said (SEOforgrowth, 2019). Such an enhancement improves not only the Czech but also international SERP rating.

The author also recommends *enhancing the UX and UI* in order to lead more traffic to the reservation form. This enhancement can be done by simplifying the reservation form and creating it as a plugin which can be placed everywhere on the website's content. Such a feature is also recommended by Ghazaryam (2017) *'The booking window should always be in a visible spot and be clear with less design and more usability.'* This feature is even more important one the mobile devices where it is absence now. Another UI improvement is to extend the footer of the website to the full width of the browser. Those UX/UI improvements are aimed for all language mutations therefore for all potential guests.

Creating a micro site only for wellness package accommodation which is aimed specifically for German speaking customers is another recommendation which is backed by the findings from segmentations in previous chapters. Germans clientele are more likely to purchase wellness-oriented package or accommodation. Performance of such microsite can be measures by Google Analytics and tuned to performance.

Purchase of the domain name <http://riesengebirgewaterwellness.de/> can support a SEO through a keyword in domain and also help the brand to position itself differently on the German market.

Presence on major hotels aggregators is important for creditability of the business. Author of this master thesis recommends creating a profile of the hotel on <https://www.amazingplaces.cz/>. Amazingplaces.cz is online booking website which specializes in all types of accommodation in the Czech Republic with focus on design of the hotel and its services. Such a placement is focused more on the Czech clientele.

4.1.4 Promotion improvements

As for the advertisement or so-called promotion part of the marketing plan, the author of this master's thesis recommends *creating a PPC plan for the high seasons*. This activity can be easily outsourced with reasonable pricing to one of the marketing agencies, for example to Fragile media s.r.o. which is specializing in emailing campaign among other activities. Another possible firm is Filip Novák, DiS which is specializing marketing consultancy with 15 years of experience.

Another improvement to the promotion would be creating an *email campaign* aimed for Czech speaking past hotel's visitors. Fradgile s.r.o is again an excellent candidate for this marketing activity as they specialize in it. Marketing agency &REVENUE GmbH can on the other hand prepare the emailing campaign for the German speaking past customers. Emailing campaigns would help to retain some of the former customers and help growth revenues. Essential part of such activity is lead generation from the website. This issue is primary addressed in placement of the call-to-action buttons in UX/UI design discussed earlier in this chapter.

A crucial part for a successful continuation of the business is to create a strategic marketing plan which will clearly state the strategy for the hotel after the owners retire.

Such a strategy should address the weaknesses and threats discussed in the SWOT analysis. Focus on the luxury apartments rent is a possible strategy for revenue generation which is based on the facts author's professional opinion.

4.2 Marketing goals

Ing. Jiří Veselý was founded to bring value to its customer (positive holiday) and thereby achieve a reasonable profit. The quality of the services is comparable with the competition, but the pricing stands out. The company offers full-service offering (wellness, parking, dinner and stay) with a significantly lower price than its competition. The company, therefore, focuses on low-cost leadership compare to its competition. The main goal of the company is, therefore, to continuously offer this excellent money value services while moving into the segment of reasonably priced luxurious apartments. To achieve this goal, a set of sub-goals is set.

Financial sub-goals are measured mostly via the company's financial analysis and accountancy records. Those goals serve as primary sub-set goals which have direct impact on the business.

On the other hand, performance sub-goals are measures via Google Analytics. Those goals serve as secondary sub-set goals which indicates wherever the direction of a newly introduced marketing plan is aligned with the market demand and author's assumptions.

Last set of sub-set goals are a project goal. Those goals are time bound and reflect the progress of increases in physical assets. They are primarily set to align the guests visits and the construction of the apartment, lobby and café bar.

Based on the theoretical framework of SMART goals the following goals were set in two categories of the operation after the consultation with Mr Veselý.

Financial goals:

- Retention of existing customers and increases of revenues by 20 % until the end of 2019,
- Achieve 50 % booked capacity on a newly built luxury apartment within the first year after the lunch of the apartment,
- Increase sales of coffee by 10 % within the first year after the lunch of the café bar,

Performance goals:

- Increase of the speed of the website by 50 % by mid-June 2019,
- Improve the websites UX and UI to drive 20 % of all websites traffic on the reservation form by the end of 2019,
- Increase lead generation from the reservation form by 5 % by the end of 2019.
- Create and run an emailing campaign for July and August 2019 which result in a 15 % conversion rate.

Project goals

- Begin to build café bar in November 2019 and finish building it in 2 months,
- Begin to build luxury apartment in October 2019 and finish building it in 3 months,
- Begin to build lobby in September 2019 and finish building it in 1 month,

4.3 Planned activities and its budget

This chapter contains two project and its cost estimation. Estimating the exact costs of the proposed actions are very complex and often very inaccurate. The following table shows only cost estimates that are backed up by past hotel's actions, pricing of the marketing agencies and author's own experience.

Table 4.3.1 – Timetable and cost estimation of project services improvement

Services improvement

Responsible person

Ing. Jiří Veselý

Project Start:

Thu, 8/1/2019

TASK	ASSIGNED TO	PROGRESS	START	END	DAYS	Planned budget
Building Luxurious apartments						
Designing the concept	Jiří Veselý	0%	8/1/19	8/31/19	30	CZK -
Construction	Winning fir	0%	8/31/19	9/30/19	30	CZK 120,000
Futrniture instalation	Winning fir	0%	9/30/19	10/15/19	15	CZK 400,000
Photoshoot	Tomáš Ves	0%	10/16/19	10/18/19	2	CZK -
Building lobby						
Designing the concept	Jiří Veselý	0%	9/9/19	10/9/19	30	CZK -
Construction begin	Winning fir	0%	10/9/19	11/8/19	30	CZK 120,000
Futrniture instalation	Winning fir	0%	11/8/19	11/23/19	15	CZK 15,000
Photoshoot	Tomáš Ves	0%	11/23/19	11/25/19	2	CZK -
Building Café bar						
Designing the concept	Jiří Veselý	0%	11/1/19	12/1/19	30	CZK -
Construction begin	Winning fir	0%	12/1/19	12/31/19	30	CZK 50,000
Futrniture instalation	Winning fir	0%	12/31/19	1/15/20	15	CZK 550,000
Photoshoot	Tomáš Ves	0%	1/15/20	1/17/20	2	CZK -
						CZK 1,255,000

Source: author's estimation

Design and photoshoot are done by family Veselý which makes the project less expensive. External firm is constructing the rooms and compiling and delivering the furniture and equipment. The most expensive part is the furniture and equipment which accounts for 78 % of the overall cost. This disproportion is due custom-made furniture and overall expensive gastro equipment.

Table 4.3.2– Timetable and cost estimation of project performance improvement

Performance improvements

Responsible person

Ing. Jiří Veselý

Project Start:

Sat, 6/1/2019

TASK	ASSIGNED TO	PROGRESS	START	END	DAYS	Planned budget
Website improvements						
Improvement of the speed	Fradgile s.r.o	0%	6/1/19	6/16/19	15	CZK 20,000
UX/UI enhancement	Fradgile s.r.o	0%	6/16/19	7/1/19	15	CZK 10,000
Lead generation testing	Fradgile s.r.o	0%	7/1/19	7/16/19	15	CZK 20,000
Microsites	Fradgile s.r.o	0%	7/17/19	8/6/19	20	CZK 20,000
Czech emailing campaign						
Creative concept	Fradgile s.r.o	0%	6/1/19	6/6/19	5	CZK 10,000
Lunch	Fradgile s.r.o	0%	7/1/19	8/1/19	31	CZK 20,000
Evaluation	Fradgile s.r.o	0%	8/1/19	8/6/19	5	CZK 2,000
Adjustments	Fradgile s.r.o	0%	8/6/19	8/8/19	2	CZK 5,000

German emailing campaign						
Creative concept	&REVENUE GmbH	0%	6/1/19	6/6/19	5 CZK	10,000
Lunch	&REVENUE GmbH	0%	7/1/19	8/1/19	31 CZK	20,000
Evaluation	&REVENUE GmbH	0%	8/1/19	8/6/19	5 CZK	2,000
Adjustments	&REVENUE GmbH	0%	8/6/19	8/8/19	2 CZK	5,000
Placement						
Add apartment to amazing places	Jiří Veselý	0%	11/1/19	11/2/19	1 CZK	500

CZK 144,500

Source: author's estimation

The most expensive are the investments in the physical assets such as bar equipment, the apartment equipment and the construction of the apartment itself. Those investments might have a long return on investment period. Needless to say, that they are an essential part of the new marketing plan which counts on adding reasonably priced luxurious apartments and other services to the existing value money offers.

On the other hand, the investment in the advertisement and the promotion are relatively high compare to the size of the hotel. The decision of the investment in advertisement must be done only if selected firms convince the business about its performance with hard evidence.

4.4 Control

The essential part of implementing the proposed marketing plan which should result in the set goals is their constant control and regular evaluation. As has already been said, it is necessary to constantly carry out individual implementation to adjust marketing activities and to adapt to new realities.

Control of an individual internet related marketing activities is by Google Analytics.

Primary measurement is clicks on the plug-in reservation forms, number of sessions visited form and interacted and number of sessions which completed the form.

Control over the micro site dedicated for the wellness activities is also measured via Google Analytics. The number of sessions visited the page and complete the reservation form is the KPI in this matter. It is needed to differentiate the traffic from the emailing campaign and the rest.

As for emailing campaign a consultation with the company is scheduled to adjust the concept if needed. Also, the success of email campaigns is measured again through clicks which leads the company's website or directly in the company's reservation form. It depends on whether the company decides to conduct online campaigns alone or decides to outsource them. In the case of outsourcing, the author recommends requiring a weekly analysis of the KPIs assessment and web traffic reports from the outsourcer.

The construction of the new rooms and introduction of new services is mainly controlled against the project plan and its dates.

The primary indicator of success should remain an increase in sales through the company's website.

CONCLUSION

The main aim was to analyse the marketing activities of the family hotel in the Giant Mountains and propose an international marketing strategy for the hotel. A secondary goal is to segment potential customers based on Google Analytics.

In the second chapter author partly confirmed that different channel scrolls different content on the hotel's website. The direct traffic searches for pricing only while the organic traffic scroll packages and experience tourism on the Czech language setting. Furthermore, author identified following segments. Segment one is a German speaking customer who is looking for free-time predefined activities with tendency to search on mobile. This type of customer is quality sensitive and often searches wellness activities. Segment two is a Czech speaking customer who is interested in Real Estate/Residential Properties or traveling, searches on the desktop and his or her age is between 25 to 44. This type of customer is price sensitive and often searches discounts, vouchers and packages.

In the third chapter author identified the competitive advantage and its underlining strategy, low-cost leadership when comparing the hotel to its competition. Author analyses the price, promotion, place and product marketing activities. Further carried a SWOT analysis is carried out to sum up the findings from the chapter.

Proposed changes strategy focuses on offering luxurious but cheap apartments and overall services to Czech and German clientele. The new marketing plan includes building new large luxury apartment with access to wellness zone, new lobby bar to improve customer experience and new café bar to offer up to standard coffee menu. The plan also suggests an emailing campaign for Czech and German speaking customers and registration in new aggregator website called amazingplaces.cz. At last the plan propose several changes to gain higher lead and order generation form the hotel's website. The proposed marketing plan includes project plan and controlling mechanisms.

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LIST OF ABBREVIATION

KPI	Key performance indicator
VRIO	Value, Rarity, Imitability, Organization analysis
PEST	Political, Economic, Social and Technology environment analysis
SWOT	Strengths, weaknesses, opportunities, threats analysis
SMART	Specific, measurable, achievable, realistic and time-bound
B2B	business-to-customer
UX	User experience
UI	User interface
SMART	Specific, measurable, achievable, realistic and time-bound
GDPR	General Data Protection Regulation
URL	Uniform Resource Locator
SERP	Search engine results page
CZK	Czech Crown
PPC	Pay per click