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MARKETING COMMUNICATION PLAN FOR A PREMIUM TRAIN TRIPS

PLÁN MARKETINGOVEJ KOMUNIKÁCIE PRE PRÉMIOVÉ VLAKOVÉ ZÁJAZDY

MASTER'S THESIS

DIPLOMOVÁ PRÁCE

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Abstrakt

Diplomová práca sa zameriava na plán marketingovej komunikácie vybranej spoločnosti. Špecifikuje marketing, marketingovú komunikáciu a analytické nástroje marketingového výskumu. Práca obsahuje odporúčania na zlepšenie komunikačného mixu v oblasti cestovného ruchu.

Klíčová slova

Marketing, marketingová komunikácia, marketingový plán, prémiové vlakové zájazdy

Abstract

The master's thesis is focused on the marketing communication plan of the selected company. The thesis specifies marketing, marketing communication and analytical tools for marketing research. It contains proposal for improved marketing communication mix in tourism industry.

Keywords

Marketing, marketing communication, marketing plan, premium train trips

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Bc. Tomáš Gálik

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INTRODUCTION

Railways as a means of transportation played a significant role in the economic development of many countries during the 19th century and also in the beginning of the 20th century (Turton, 1998). Cocks (2001) mentioned that 19th century rail transport in the United States connected major urban regions and played a key role in their growth.

In the past, train travel was quite an uncomfortable experience. Without sleeping and dining cars, long distance traveling used to be a harrowing experience. Things changed when Pioneer was introduced by Pullman in 1864. For passengers using these early services they had a choice between small cramped and basic carriages or more luxurious coaches with full service. In 1867, "Hotel Cars" were introduced. Pioneer was the first railway carriage to introduce dining cars and sleeping cars in train leading to more comfort during travelling, especially on long distance journeys.

Following master thesis focuses on the premium train trips which offer tourism and transportation in one combination. Luxury trains are special trains designed specifically to offer an elegant train ride, and evoke a strong sense of association as in history, heritage and decadence of a leisurely ride. Luxury trains operate in several countries and offer a luxurious and comfortable traveling option to luxury travellers. Whereas some luxury trains like the Orient Express promote tourism in major destinations of an entire continent other trains take guests on a long leisure ride, cutting across state borders but limited to one specific country.

Nowadays there is an increase in the trend of luxury train travel around the world. Luxury train travel proponents assert that it has several advantages over travel on airplanes. Whereas during air travel the monotony of the journey is occasionally broken by the view of clouds through the plane's window, a winding luxury ride on board the trains provides ample opportunity to the guests to witness the local environment, social and economic conditions, and myriad colours of the places they are traveling to. There are a number of reasons for the growing popularity of the luxury trains over air travel, which includes ample space, restaurants and bars, spacious and comfortable sleeping and seating area and even bath rooms.

The aim of this master's thesis is to critically examine current situation of the marketing communication for selling premium train trips and provide recommendations based on theoretical background, literature review using analytical tools and models.

Thesis is structured into four main parts. Chapter one defines objectives and methodology used. Chapter two focuses on the theoretical backgrounds. In chapter three the company is introduced and analysed current situation relating to the marketing communication activities. Chapter four provides recommendations based on the analysis of current situations and theories from chapter one. Last part of the thesis includes conclusion.

1 OBJECTIVES AND METHODOLOGY

1.1 Strategic issue and objectives

Company's strategic issue tackled by master's thesis is improvement of the marketing communication of the premium train trips.

Considering mentioned strategic issue, main objective of the thesis is development of the new marketing communication plan of selling premium train for company Wagon Service Travel s.r.o. From main objective are created following secondary goals:

- Analysis of the market, competition and potential customers.
- Analysis and evaluation of the current marketing communication.
- New marketing communication plan.
- Budget and advantages of proposed marketing communication

1.2 Methodology

In this chapter author summarizes methods for collecting data which will be used as base for development of marketing communication plan. Thesis focuses on the marketing communication or promotion part of the marketing research.

Data collection method used by author is secondary research of both qualitative and quantitative data. Thesis is using following approach:

- Market research: analysis of macro and microenvironment, analysis of competition.
- Target group: analysis of potential customers.
- Mapping and evaluation of current marketing communication: qualitative research will describe elements of the marketing communication used in the company.

2 THEORETICAL BACKGROUND

2.1 Marketing

2.1.1 Marketing overview

Marketing is defined by Kotler and Armstrong (2006, p. 27) as the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.

Morrison (2010) defines marketing as a continuous, sequential process through which management plans, researches, implements, controls, and evaluates activities designed to satisfy the customers' needs and wants, and meet the organization's objectives.

Marketing strategy is defined as a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage (David Baker, 2010, p. 3). The strategic plan is the detailed planning involving marketing research, and then developing a marketing mix to satisfy customers.

2.1.2 Marketing mix

According to Kotler (2012, p. 25) marketing mix is the set of tactical marketing tools Product, Price, Promotion and Place that the firm blends to produce the response it wants in the target market.



Illustration 1: 4P's Marketing Mix

A product is an item that is built or produced to satisfy the needs of a certain group of people. The product can be intangible or tangible as it can be in the form of services or goods. Price covers the actual amount the end user is expected to pay for a product. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. The marketing communication strategies and techniques all fall under the promotion heading. These may include advertising, sales promotions, special offers and public relations. Place or placement has to do with how the product will be provided to the customer. Distribution is a key element of placement.

Later, Kotler (2009) added to the original 4Ps three new. People, Process, physical evidence. People are essentially important element of the service marketing mix. When a service is being delivered, the person delivering it is not unique from the service itself. Since service provision needs to strike a balance between customization and standardization, the processes involved in the activity require special mention and attention. A process needs to be clearly defined for the service provider. This basic process should ensure the same level of service delivery to every customer. Physical evidence describes location where service is provided. The location of the service delivery is significant. The level of comfort and attractiveness of a service location may make a lot of difference to the user experience.



Illustration 2: 7P's Marketing mix

Author of the following thesis agrees with Pelsmecker et al. (2001, p. 3). Promotion is the most visible instrument of the marketing communication. This diploma thesis will be focused to one marketing tool, specifically promotion.

According to Kotler (2009) effective marketing communication should convince target customer to buy a product. Pelsmecker et al. (2001) agrees with him. Promotion involves all tools by means of which organization communicates with its target groups and stakeholders to promote its product or the company as a whole.

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2.1.3 Marketing of services

There are four key differences between goods and services. According to numerous scholars (Regan, Rathmell Shostack; Zeithaml et al., 1998) services are:

- Intangible
- Heterogeneous
- Inseparable (simultaneously produced and consumed)
- Perishable

Intangibility

Tangible goods are ones the customer can see, feel, and/or taste ahead of payment. Intangible services, on the other hand, cannot be “touched” beforehand. An airplane flight is an example of an intangible service because a customer purchases it in advance and doesn’t “experience” or “consume” the product until he or she is on the plane.

Heterogeneity

While most goods may be replicated identically, services are never exactly the same; they are heterogeneous. Variability in experiences may be caused by location, time, topography, season, the environment, amenities, events, and service providers. Because human beings factor so largely in the provision of services, the quality and level of service may differ between vendors or may even be inconsistent within one provider.

Inseparability

A physical good may last for an extended period of time (in some cases for many years). In contrast, a service is produced and consumed at the same time. A service exists only at the moment or during the period in which a person is engaged and immersed in the experience.

Perishability

Services and experiences cannot be stored; they are highly perishable. In contrast, goods may be held in physical inventory in a lot, warehouse, or a store until purchased, then used and stored at a person's home or place of work. If a service is not sold when available, it disappears forever.

2.1.4 Marketing in tourism

Services marketing is a concept based on a recognition of the uniqueness of all services; it is a branch of marketing that specifically applies to the service industries (Morrison, 2010, p.767).

Marketing in the tourism industry requires an understanding of the differences between marketing goods and marketing services. To be successful in tourism marketing, organizations need to understand the unique characteristics of their tourism experiences, the motivations and behaviours of travelling consumers, and the fundamental differences between marketing goods and services.

Customers use their senses to see, hear, smell, and touch (and sometimes taste) to decipher messages from businesses, deciding on a product or service based on their perception of the facts rather than, at times, the actual facts. A number of factors have been shown to impact the choices the consumer makes, including personal factors, which reflect needs, wants, motivations, previous experience, and a person's lifestyle, and interpersonal factors, such as culture, social class, family, and opinion leaders.

2.1.5 Components of tourism services

Tourism services support industry development and the delivery of guest experiences. Tourism services comprise businesses and functions that assist with planning and reserving components of the visitor experience (Goeldner, 2003).

Travel agencies

A travel agency is a business that operates as the intermediary between the travel industry (supplier) and the traveller (purchaser). Part of the role of the travel agency is to market prepackaged travel tours and holidays to potential travellers. The agency can further function as a broker between the traveller and hotels, car rentals, and tour companies (Goeldner, 2003). Travel agencies can be small and privately owned or part of a larger entity.

Travel agent

A travel agent is the direct point of contact for a traveller who is researching and intending to purchase packages and experiences through an agency.

Fully independent travellers (FITs)

As technology and the internet are increasingly being used to market destinations, people can now choose to book tours with a particular agency or agent, or they can be fully independent travellers (FITs), creating their own itineraries.

Online Travel Agents (OTAs)

Increasing numbers of FITs are turning to online travel agents (OTAs), companies that aggregate accommodations and transportation options and allow users to choose one or many components of their trip based on price or other incentives.

Tour operator

A tour operator packages all or most of the components of an offered trip and then sells them to the traveller. These packages can also be sold through retail outlets or travel agencies (Goeldner, 2003). Tour operators work closely with hotels, transportation providers, and attractions in order to purchase large volumes of each component and package these at a better rate than the traveller could if purchasing individually.

2.2 Marketing communication

2.2.1 Communication process

Communication process will be explained using Shannon-Weaver model. This model is specially designed to develop the effective communication between sender and receiver. Model also identifies factor which is affecting the communication process called “Noise”. At first the model was developed to improve the technical communication. Later it’s widely applied in the field of communication and marketing. The model deals with various concepts like Information source, transmitter, Noise, channel, message, receiver, channel, information destination, encode and decode.

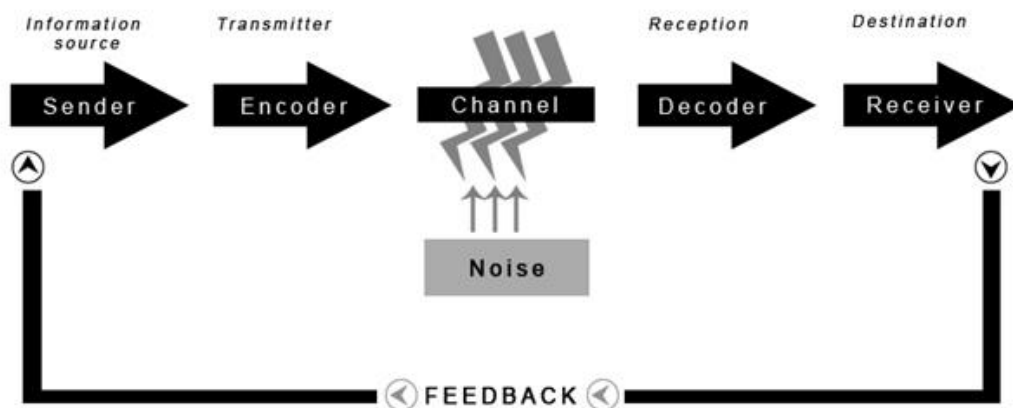


Illustration 3: Shannon-Weaver's model of communication

A sender begins communication process. He creates a marketing message and transmits it to a receiver through some sort of media. In other words, channel, such as print media or broadcast (electronic) media, is a medium through which a message is transmitted to its intended audience. According to Eagle (2008), in the best case scenario, this message will be understood and will lead to a positive feedback, such as buying the product, increasing awareness about the product or improving company’s image. There are two biggest impacts of this model to advertising. First one is how noise can affect the receiving of the information. Noise can be anything that might distract from the original meaning of message between sender and receiver. Second one is feedback. Originally, feedback was introduced as a correction of noise (Chaturvedi, 2008).

2.2.2 Consumer engagement

The most important element of the communication process is the information or message itself. There are various perspectives how customers goes through the decision-making process. The first easy to apply model was AIDA (Strong, 1975). The AIDA Model identifies cognitive stages an individual goes through during the buying process for a product or service. It's a purchasing funnel where buyers go to and fro at each stage, to support them in making the final purchase.

AIDA describes a common list of events that occur when a consumer views an advertisement. Each letter in the acronym stands for the following:



Illustration 4: AIDA communication model

- The "A" represents attention or awareness, and the ability to attract the attention of the consumers.
- The "I" is interest and points to the ability to raise the interest of consumers by focusing on and demonstrating advantages and benefits (instead of focusing on features, as in traditional advertising).
- The "D" represents desire. The advertisement convinces consumers that they want and desire the product or service because it will satisfy their needs.
- The "A" is action, which leads consumers toward taking action by purchasing the product or service.

The system is used to guide marketers to target a market effectively. Naturally, as organizations move through each step of the AIDA model, a percentage of initial prospects are lost throughout the sales cycle.

Development of the information technology has changed the way in which people communicate. Therefore, the paradigm has to be changed. New marketing trend is the shift from product-oriented marketing to consumer-oriented marketing or people-oriented marketing (Bambang, 2012).

In 2011 the model AIDA was transformed to new version AISDALSLove, which is Attention, Interest, Search, Desire, Action, Like/dislike, Share, and Love/hate. This concept of AISDALSLove model was firstly introduced by Bambang Sukma Wijaya in the International Seminar on Scientific Issues and Trends (ISSIT) 2011. This concept is more applicable in modern on-line communication with customers.

The meaning of three new additional letters stands for:

- The “S” is search, the customer is seeking information about brand, product or advertised message.
- The “L” is like/ dislike, after trying the product or having some experience with the brand, the customer is starting to like or dislike the product.
- The “S” is share the next step after experiencing product or brand, the customer is starting to express feelings of his likes or dislikes to his friends, or even to all audience through media.
- “Love” is love/hate the customer feels satisfied or not satisfied about the product and share experiences with others, then will come a deep feeling towards the product or brand as long-term effects, these feelings can be either love or hate.

This concept is more applicable in modern on-line communication with customers.

2.2.3 Integrated marketing communication

The modern society brings changes and challenges in creating marketing strategies. The old concept of giving what customers want is not good enough now. The traditional way of organizing marketing process is out of date (Gronroos, 2004). The most common situation is that customer does not know what he wants, but he knows what he certainly does not want.

That means customer's expectation from organization becomes higher. The new strategy should combine integrated marketing and communication strategies. The main aim is positioning, finding place at customer's mind. That means that marketing team should put at first place an understanding of customer's decision-making process. Hence, the communication message should be based not on what company wants to say, but what customers want to hear (Proctor, 2002).

One of the concepts, which support this idea, is integrated marketing communication or IMC. There are several definitions of this concept. They are vary in different aspects. Defined by the American Marketing Association, Integrated Marketing Communications (IMC) a planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time (Kotler, 2012c).

This planning process estimates each part of communication mix, such as public relation and advertising, then integrate them to provide clarity, consistency and maximum impact through the seamless integration of messages (Kotler, 2012c). The primary goal of IMC is to create synergistic effect of using all necessary tools of communication mix altogether. It helps to generate more powerful message, to accomplish maximum effect. This approach is much superior to using each element separately and independently.

Tour operators, attractions, hotels, and destination marketing organizations will often break down marketing into separate departments, losing the opportunity to ensure each activity is aligned with a common goal. Sometimes a potential visitor or guest is bombarded with messaging about independent destinations within a region, or businesses within a city, rather than one consistent set of messages about the core attributes of that destination.

It's important to consider how consumers use various and multiple channels of communication and reach out to them in a comprehensive and coherent fashion. As a concept, IMC is not new, but it is more challenging than ever due to the numerous social media and unconventional communication channels now available. Each channel must be well maintained and aligned around the same messages, and selected with the visitor in mind. Too often businesses and destinations deploy multiple channels and end up neglecting some of these, rather than ensuring key platforms are well maintained (Eliason, 2014).

Marketers are moving toward viewing communications as managing the customer relationship over time, during the preselling, selling, consuming, and post consumption stages. Because customers differ, communications programs need to be developed for specific segments, niches, and even individuals (Kotler, 2012, p. 543).

2.2.4 Guerrilla marketing

Levinson claims (1984) all kinds of innovative and eye-catching advertisements belong to the concept of guerrilla marketing. Accordingly, guerrilla marketing is described as being fancy, atypical, unusual, original, provoking, flexible, dynamic, innovative and creative. Some authors stresses on the cost-cutting elements of guerrilla campaigns.

All definitions of guerrilla marketing agree that the concept provides a solution of how to succeed in the competition for consumers' attention and of how to avoid high costs for advertising campaigns. However, there are several different suggestions on how to achieve these objectives.

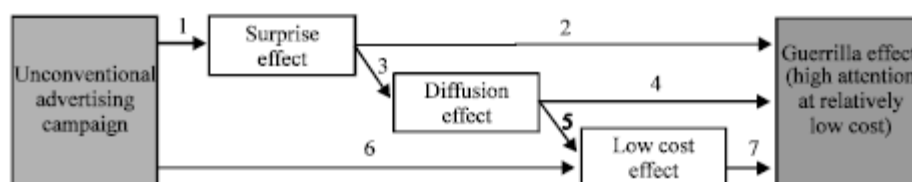


Illustration 5: Guerilla effect

The ratio of costs and benefits can be improved by intensifying the potency for drawing the attention of the audience to the advertising message. To achieve this goal, guerrilla

campaigns try to evoke a surprise effect (Hutter, 2011b). In order to dumbfound people, guerrilla campaigns need to be new and unconventional.

Moreover, to accomplish an efficient ratio, a relatively large number of recipients have to be exposed to a guerrilla campaign. Therefore, guerrilla campaigns build on a diffusion effect which is realized in an interpersonal or a medial way. Guerrilla campaigns are designed to stimulate consumers and/or the media to spread the advertising message. The more people addressed, the higher the aggregated surprise effect and, thus, the lower the relative costs per person of the campaign.

Surprise effect

The core principle of the guerrilla approach is to surprise consumers with unexpected activities in order to draw their attention to the advertising message. Surprise is a result of the divergence of perceptions and expectations. Based on previous experiences, individuals develop schemas and thus expectancies about certain events (Rumelhart, 1984).

Ambient marketing and sensation marketing are instruments that explicitly try to surprise consumers by placing advertisements at locations where consumers do not expect them. Ambient marketing is the guerrilla variant of classical outdoor advertising. Advertisements are placed at unusual locations in the direct social environment of the target group (Krautsack, 2008). Sensation marketing aims at surprising pedestrians in public places by actions that go beyond the scope of familiarity (Hutter, 2011b).

Diffusion effect

In classical advertising, the number of recipients often determines the price of a campaign to a large degree (e.g., cost-per-thousand for advertisements in TV, radio or print media). Guerrilla marketing provides ways of increasing the number of individuals exposed to the advertising without increasing the cost of a campaign. Therefore, the diffusion of the advertising message needs to be stimulated in a goal-oriented and economic way (Solomon et al., 2009).

Viral marketing, buzz marketing and guerrilla PR are instruments that explicitly try to stimulate the diffusion effect. Viral marketing comprises different methods to initiate a communication process which spreads like a virus among potential customers (Ferguson, 2008). Marketers can trigger the diffusion of a message either in direct

communication addressing multipliers that forward the message to other consumers or in indirect communication via different media. Stimulated by innovation in information and communication technologies, many new techniques of viral marketing have evolved during the last years. Video clips which diffused throughout the World Wide Web, are the most frequently applied method of viral marketing (Haque et al., 2006)

Low cost effect

Two characteristics of guerrilla campaigns evoke a low cost effect. First, the diffusion effect helps to reach a wide audience causing no or little costs, because consumers (viral marketing) or the media (guerrilla PR) pass on the advertising message. Second, guerrilla campaigns are frequently implemented in such a manner that they require little monetary efforts. Many marketers apply a free riding approach to cut costs and raise the number of recipients simultaneously to maximize the low cost effect. For instance, they attempt to benefit from placing advertisements at big events without paying for it. Even if a campaign requires intensive investment, the diffusion effect assures that a wide audience is reached with an advertising which will decrease the relatively costs.

2.3 Creating marketing communication strategy

2.3.1 Marketing communication models

There are several models which can be used to develop a IMC or communication strategy. First published model is Rabostic model invented by Pickton and Broderick (Kitchen, 2010).

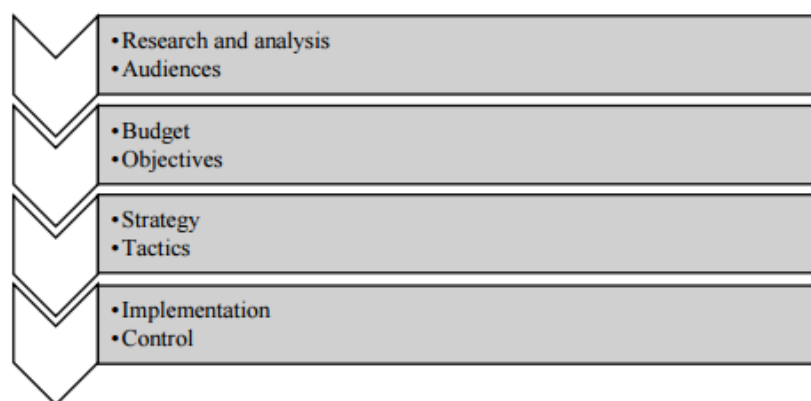


Illustration 6: RABOSTIC model

According to this model there are eight steps in creating marketing communication strategy. First step is research and analysis. The main goal is to establish current position on the market. Second is to determine company's target group of customers, in accordance with previous research. Next step is to calculate available budget. Then, to set goals, which are followed by strategic plan. After that, during tactics phase, the suitable communicational channels will be chosen. They will be evaluated and the best set of communication channels will be implemented in the seventh step – implementation. Then the results of the new campaign will be monitored, controlled and evaluated, if necessary, adjustments can be made.

The critics disapprove the implementation part of this model. They criticize the shortage of implementation IMC throughout an organization. In addition, there is not much mentioned about the sequence of the individual stages and whether they are interchangeable. Also, there is no information, if this model was actually implemented in any company, and with what results.

According to Masterman (2006) the industry researches in IMC sphere were not the most helpful, the majority of the authors came to a conclusion that in order to ensure benefits from integrated marketing communication, its planning should involve the following stages:

- situation analysis,
- objective setting,
- targeting,
- positioning and message strategies,
- method and media strategies,
- communications budget,
- implementation,
- measurement, evaluation and control.

Planning model SOSTAC was invented using mentioned stages. According to the Chaffey (2008), this model was number three most used marketing planning model. SOSTAC is a planning model, originally developed in the 1990s to help with marketing planning (Smith, 2000). SOSTAC model is similar to the Rabotastic model. The difference between these two models are shown in the picture.

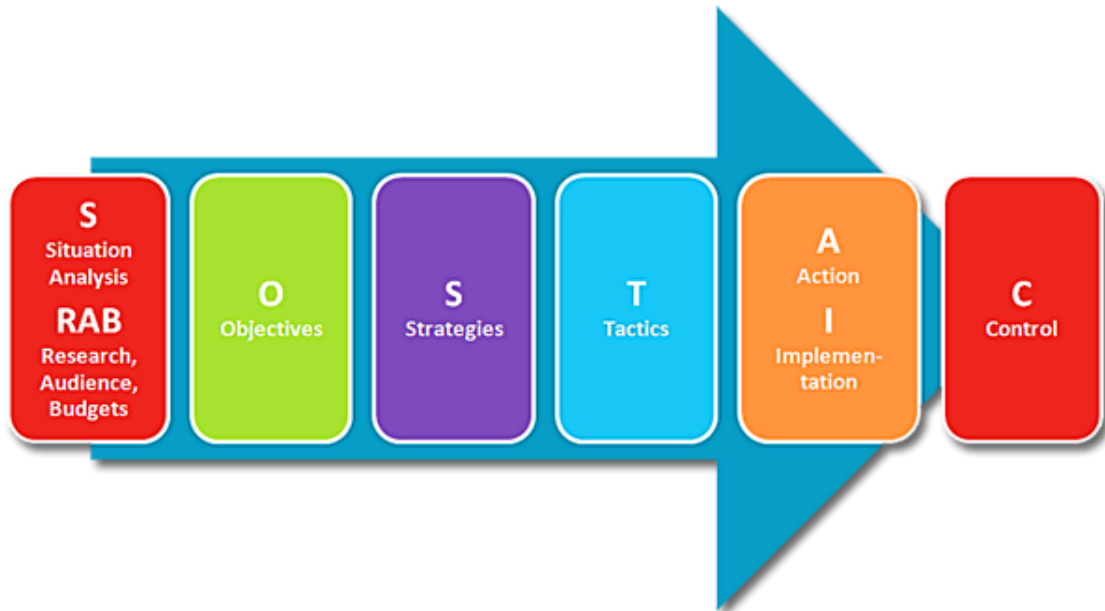


Illustration 7: SOSTAC and RABOSTIC model comparison

SOSTAC is an acronym for these six elements:

- Situation analysis, asks what the current state of the business is.
- Objectives, helps list an overview of goals for the business.
- Strategy helps provide a big picture plan to achieve the goals.
- Tactics breaks down the big picture strategy into smaller details.
- Action helps assign responsibility and deadlines for certain tasks.
- Control offers an easy way to track the progress of the plan.

2.3.2 Marketing communication mix

In this new communication environment, although advertising is often a central element of a marketing communications program, it is usually not the only one or even the most important one for sales and building brand and customer equity (Kotler, 2012).

Marketing communication mix elements provide information that is important add value to a product or service from both sides - buyer (consumer) and the company (provider) as customers gain information about products or services and the company attracts more customers to buy, influences the demand of the product or service and in that case gets more profits, as the customer gains pleasure by observing that purchase (Blythe, 2005).

Basic promotional mix by Kotler (2001) consists of five major elements:

- Advertising
- Personal selling
- Sales promotion
- Public relations

Advertising is defined as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor (Kotler, 2001). Forms that are understood as forms of advertising: print, broadcast, outdoor.

The definition of personal selling is provided as personal presentation by the firm's sales force for the purpose of making sales and building customer relationships (Kotler, 2001). The forms of presenting personal selling are: sales presentations, trade shows, incentive programs.

Sales promotion, according to Kotler (2001), is a short time incentives to encourage the purchase or sale of a product or service. Point-of-purchase displays, premiums, discounts, coupons, specialty advertising and demonstrations are the forms of sales promotion.

Kotler provides the definition of public relations as follows: Building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image, and handling or heading off unfavourable rumours, stories and events (Kotler, 2001).

Direct marketing is defined as direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships (Kotler, 2001).

According to the Kotler and Keller (2016) in the 15th edition of Marketing Management book the marketing communications mix consists of eight major modes of communication:

1. Advertising: Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor via print media (newspapers and magazines), broadcast media (radio and television), network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, Web page), and display media (billboards, signs, posters).

2. Sales promotion: A variety of short-term incentives to encourage trial or purchase of a product or service including consumer promotions (such as samples, coupons, and premiums), trade promotions (such as advertising and display allowances), and business and sales force promotions (contests for sales reps).

3. Events and experiences: Company-sponsored activities and programs designed to create daily or special brand-related interactions with consumers, including sports, arts, entertainment, and cause events as well as less formal activities.

4. Public relations and publicity: A variety of programs directed internally to employees of the company or externally to consumers, other firms, the government, and media to promote or protect a company's image or its individual product communications.

5. Online and social media marketing: Online activities and programs designed to engage customers or prospects and directly or indirectly raise awareness, improve image, or elicit sales of products and services.

6. Mobile marketing: A special form of online marketing that places communications on consumer's cell phones, smart phones, or tablets.

7. Direct and database marketing: Use of mail, telephone, fax, e-mail, or Internet to communicate directly with or solicit response or dialogue from specific customers and prospects.

8. Personal selling: Face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders.

Personal selling is also one of the most effective tools for integrated marketing communication. Personal selling takes place when marketer or sales representative sells products or services to clients. Personal selling goes a long way in strengthening the relationship between the organization and the end-users.

Personal selling involves the following steps according to the (Blythe, 2005):

- Prospecting - Prospecting helps you find the right and potential contact.
- Making first contact - Marketers need to establish first contact with their prospective clients through emails, telephone calls etc.
- The sales call - Share what all unique your brand has to offer to customers. As a marketer, you yourself should be convinced with your products and services if you expect your customers to invest in your brand.
- Objection handling - Be ready to answer any of the client's queries.
- Closing the sale - Do not leave unless and until you successfully close the deal. There is no harm in giving customers some time to think and decide accordingly.

2.4 Situation analysis

For analysis of situation of market and industry several models have been published. Significant and with great impact on the shape of industry analysis is Porter's Five Forces model, published in 1979.

According to this model, the most important forces that should be analysed were rivalry among existing competitors, threat of new entrants, threat of substitutes, bargaining power of suppliers and bargaining power of buyers. Success and profitability in the chosen industry will be greatly impacted by these factors in long run.

However King (1982) is mentioning that companies might use different strategies to improve their competitiveness. Reshaping structure of industry, brand positioning or exploiting changes and reacting to trends and demand on the market.

Combining evaluation of macro and micro environment SWOT analysis can be formed. Summarizing strengths, weaknesses, opportunities and threats (Goodrich, 2015).

Accordingly Kustin (2004) emphasizes understanding of changes within five forces and identification of market participants which have biggest influence. Kustin highlights the five forces model as a tool for filling the gap between more specific model for analysis of market or participants like PEST factors or SWOT analysis as company oriented tool.

2.4.1 Macro environment - PEST Analysis

PESTLE analysis is a tool which determines the external marketing factors commonly known as macro environment factors that have an effect on the organization. The outcome of a PEST analysis pinpoints certain threats and weaknesses that a business might be unknowingly exposed to. PEST analysis defines the way any business is shaped. PEST analysis consists of the following four factors:

- Political factor
- Economical factor
- Social factor
- Technological factor

Political

Political factors determine how the government's decisions, such as tax and trade policies, affect a company's economy and business. Generally, political factors have an influence on the way organizations tend to their businesses and they have to regulate and balance their marketing strategies according to the government's requirements.

Economical

Economic factors, such as the rate of inflation, business growth, the level of employment and unemployment and trading goods and services have a serious impact on how an organization flourishes successfully and thrives economically.

Social

Social factors encompass several areas, such as population growth, health, education, safety, religion and benefits, social classes and more. These factors have a strong impact on businesses.

Technological

Technological factors hold a significant importance because they help in eradicating inflation and recession. The latest technology is beneficial for effective businesses. Information technology has given businesses a wider horizon of creativity and global reach. Technology shapes business models and the way a business' products and services are distributed. It introduces the most efficient ways of communicating with the target market.

2.4.2 Micro environment – Porter's five forces

The model of the Five Competitive Forces was developed by Michael E. Porter and published in 1980. Five forces became an important analytical tool for analysing an organizations industry structure in strategic processes (Kotler, 2012).

Porter's five forces model is based on the insight that a corporate strategy should meet the opportunities and threats in the organizations external environment. Especially, competitive strategy should be based on an understanding of industry structures and the way they change.

Porter has identified five competitive forces that shape every industry and every market. These forces determine the intensity of competition and hence the profitability and attractiveness of an industry. The objective of corporate strategy should be to modify these competitive forces in a way that improves the position of the organization. Porter's model supports analysis of the driving forces in an industry. Based on the information derived from Porter's Five Forces Analysis, management can decide how to influence or to exploit particular characteristics of their industry.

The Competitive Forces analysis is made by the identification of 5 fundamental competitive forces:

- The entry of competitors - how easy or difficult is it for new entrants to start to compete, which barriers do exist.
- The threat of substitute - how easy can our product or service be substituted, especially cheaper.
- The bargaining power of buyers - how strong is the position of buyers, can they work together to order large volumes.

- The bargaining power of suppliers - how strong is the position of sellers, are there many or only few potential suppliers, is there a monopoly.
- The rivalry among the existing players - is there a strong competition between the existing players, is one player very dominant or all equal in strength/size.

2.4.3 SWOT Analysis

SWOT analysis refers to strength, weaknesses, opportunities and threats. Strengths and weaknesses refer to the organisation's internal environment over which the firm has control. Strengths are areas where the organisation excels in comparison with its competitors, while weaknesses are areas where the organisation may be at a comparative disadvantage. Opportunities and threats refer to the organisations external environment, over which it has much less control. SWOT may arise in both the general and the competitive environment. However, the unpredictable nature of events in the general environment tends to make the use of SWOT analysis more problematic (Henry, 2008).

Limitations of SWOT analysis

SWOT analysis provides a very basic premise for organisations to understand their own capabilities within the marketplace. At the same time, through analysing the opportunities available, it offers a chance to consider potential segments in the market that the organisation may have overlooked. There are weaknesses with this approach as individuals undertaking the exercise may only make a superficial assessment of an organisation's capabilities. Sometimes strengths and weaknesses lie within certain 42 sectors of an organisation and this may not always be clear from an open-ended SWOT analysis. A truly strong analysis needs to be accompanied by an organisational audit as well as market research on both customers and competitors. However, for initial analysis of an organisation's position, this is a simple tool and is relatively effective. Used in conjunction with Porter's industry analysis, it helps to develop a better understanding of the forces acting on an organisation and the potential options available to it (Ranchhod, 2004).

3 ANALYSIS OF CURRENT SITUATION

3.1 Overview of company

Wagon Service Travel s.r.o. is company specializing in a railway passenger transportation on the international scale. It was established in January 2000 as Limited Liability Company, the abbreviation SRO is used in Slovakia. Company currently employs fourteen workers. Turnover of the company is 2.5 million eur.

Company is doing business in following two activities:

- Passenger transportation focused on overnight trains using own soft and hard sleeper carriages.
 - Through its own products, own routes
 - Renting the carriages to the other railway companies who are lacking they own soft or hard sleeper carriages
- Rail charter transportation through customized orders – Special trains
 - Company works as a tour operator. Creating trips to carnival in Venice, October fest etc. Company is using they own hard and soft sleeper carriages and is borrowing additional carriages from partners (Salon, dinning, party, conference carriages)
 - Seasonal sleeper trains between Belgium, Netherlands from Christmas to the end of March using one year or five year contracts
 - Selling products of other tour operators focused on tourism using railway transportation.

Selling the products of other tour operator creates just 10% of the turnover. Company would like to increase sales both financially and in number of trips sold.

Trips are characterized by higher standard of travelling combined with tourism along the way or with stops in tourism destinations. All trips are labelled as premium or luxurious train trips. Company started first business activities focused on selling these trips in 2005. Specifically on the route between Moscow, Irkutsk, Ulambatar.

3.2 Internal analysis of company using 7P's model

Analysis of company's marketing mix will be created using 7P's model. An extended version of the classical 4P's model enables complex internal analysis of the company.

3.2.1 Product

Company is selling premium train trips of other tour operators as a package with added transfer to and from the destination with their own know-how and advice. Company offers following train trips from other tour operators.

- Trans-Siberian Railroad: Moscow – Beijing (Detailed description in Appendix A)
- Eastern & Oriental Express: Bangkok – Singapore
- Persian Explorer: Private Train Journey through Iran
- Rockymountaineer: Edmonton – Vancouver
- Rovosrail: Cape town – Dar es Salaam

The tour operators are German Lernidee for Trans-Siberian Railroad, Eastern & Oriental Express and Persian Explorer. For Rockymountaineer in Canada and Rovosrail in Africa, company is cooperating directly with providers. Each trip offered by company was visited and explored by head of company.

There is possibility to add more premium train trips to the portfolio. Lernidee tour operator offers wider selection of trips. According to the (Luxury Train Club, 2016) there are around 36 premium train trips available which could be labelled as premium or luxury train trips around the world. Potential of offering more train trips by company and changing product mix is not in scope of this thesis.

3.2.2 Price

Company set up their prices according to the actual price agreed with tour operators. Average starting price for offered premium trips is around 4800eur per person per trip. Provision for selling trips is from 7 to 15%. Final price consist of cost of trip with added costs for transfer and accommodation in destination before and after selected trip. Company is adding margin 20% for transfer and accommodation.

3.2.3 Place

Booking of the premium trips is possible through the website of company or in person. Company has office with representative environment to welcome potential customers in the centre of Bratislava, capital of Slovakia.

3.2.4 Promotion

Company is using the advertising in form of paper magazine and online presence. Public relations mainly in form of published articles in weekly magazine in travelling section. Details of the promotion mix will be discussed in chapter 3.3.

3.2.5 People

There are three employees whose responsibility is to serve potential customers interested in trips. CEO, secretary and manager. The roles are not specifically assigned.

3.2.6 Process

The interaction between consumer and company starts much earlier before actual train trip. The process includes selection of the additional travel packages in destination, planning the transfer before and after the trip with accommodation and administration process needed for securing visa and other travelling permits.

3.2.7 Physical Evidence

Company has renovated office in the centre of Bratislava where it is possible to invite potential customers or groups. The modern conference room is decorated with photos from premium train trips (Illustration 10).



Illustration 8: Conference room in the office of Wagon Service Travel

3.3 Communication mix

3.3.1 Advertising

Magazine

Company is publishing every year a magazine containing articles describing popular travel destinations and travel routes using railways. Magazine has a A4 format with glossy finish and high quality paper. The layout is consisting of short text paragraphs in Slovak and German language and large photos. Magazine is used as a main form of advertising for premium train trips. Customers can find copies of magazine in every train trip organized by Wagon Service travel, in the offices of the partnered tour operators and it is sent to the selected large companies in Slovakia as attachment to the letter offering customized trips for companies such as team-buildings and various special events.

Online presence

Company is present on-line under domain www.wagonservice.sk. When using keywords to search premium train trips, company is having entry on the first page. For example using keyword Trans-Siberian railroad trip in google search, company is ranking in the fifth place (Appendix C). Company provides content in Slovak and German language using switch top right corner. Premium train trips are available under tab “train tours.” It is not distinguished from other tabs or from other parts of the menu on the top of the page (Illustration 9).

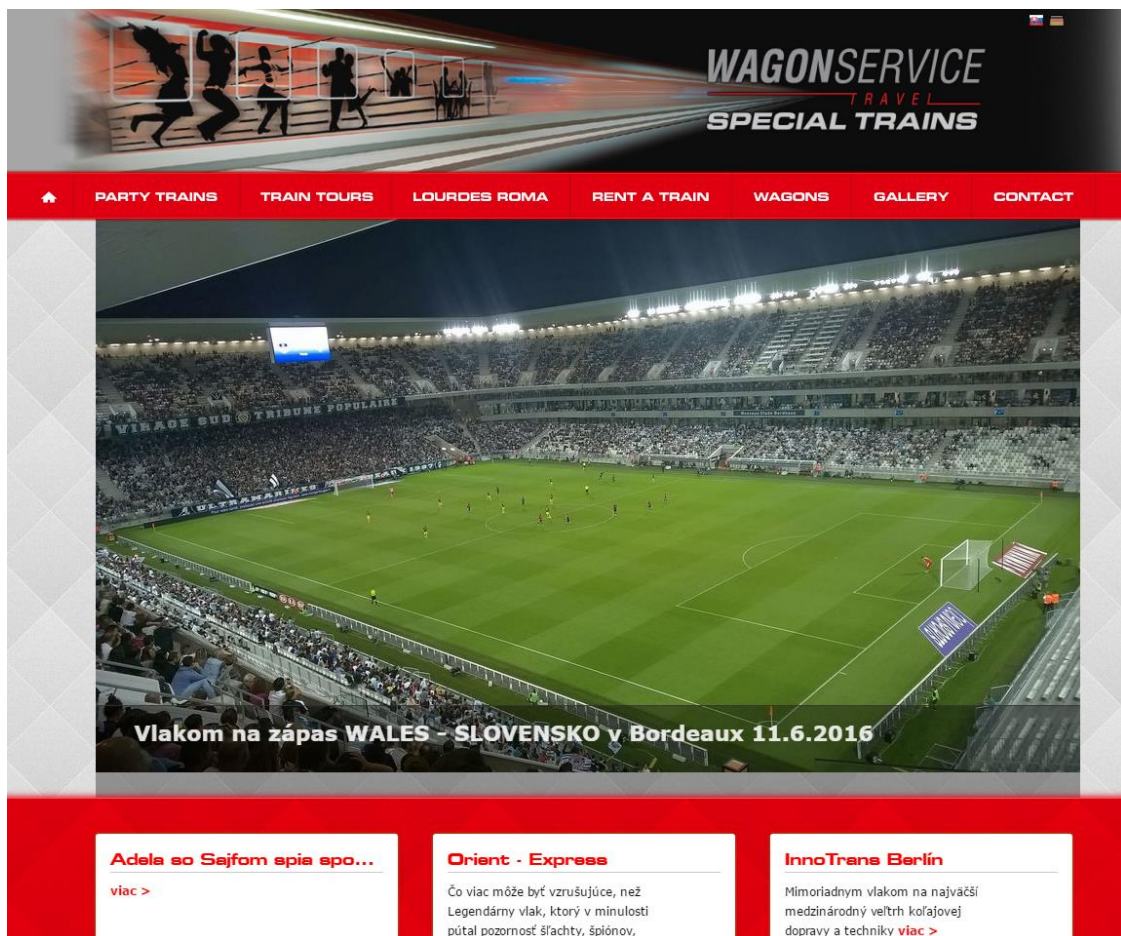


Illustration 9: Wagon Service Travel homepage

Opening page with train tours, visitor will land at the page with all available premium train trips. Not every trips showing representative picture which grabs attention of the visitor. Also the title field is rather short and is not showing properly full name of the trip. In case of Trans-Siberian railway there are two entries. One should serve as link for customized trip but in the following way it is misleading the visitor (Illustration 10).

After opening specific train trip, very long page opens up. Page includes pictures on top, description and highlights of the trip and short slideshow using Slideshare plugin followed by the long detailed itinerary of trip and finishing by price. There is no any call to action button for ordering, showing interest or asking more questions. Nor buttons for sharing the trip on the social platforms (Wagon Service Travel [online], 2016).

Train Tours

Transsibérika Magletráia
Mimoriadny vlak z Moskvy do Pekingu Cez Rusko, Mongolsko a Čínu za 16 dní zo západu na východ! [viac >](#)

14.05.-29.05.2016
11.06.-26.06.2016
a ďalšie...

Transsibérika Magletráia...
13-dňová individuálna cesta v termíne podľa Vášho žetania [viac >](#)

Bangkok - Singapur
Štýlovým vlakom Eastern & Oriental Express nostalgia a exotika v koloniálnom štýle a medzinárodne uznávaní kuchári na... [viac >](#)

09.05.-12.05.2016
01.07.-04.04.2016
a ďalšie...

Irán - rozprávka 1001 no...
Nechajte sa očariť farbami a vôňou starovekej Perzie, od rušných bazárov až po tichú púšte. Objavte európske stopy pri... [viac >](#)

22.09.-03.10.2016
20.10.-31.10.2016
a ďalšie...

Edmonton - Vancouver
Naprieč Kanadou z Edmontonu do Vancouvru, 10-dňová dobrodružná cesta železnicou po Kanade. [viac >](#)

21.05. - 30.05.2016
25.06. - 04.07.2016
a ďalšie...

Orient - Express
Čo viac môže byť vzrušujúce, než Legendárny vlak, ktorý v minulosti pútal pozornosť šľachty, špiónov, spisovateľov, či... [viac >](#)

25.5. - 26.5.2016

Rovos Rail pre náročných
19 dňový zájazd vlakom „Rovos Rail“ v štýle 20-tych rokov. Jedinečných 6.100 km cez Juhoafrickú republiku, Botswanu, Z... [viac >](#)

11. 06. - 29. 06. 2016

ROVOS RAIL
Z Pretórie k Viktóriným vodopádom v Zimbabwe Z Durbanu k Viktóriným vodopádom [viac >](#)

Illustration 10: Premium train trips portfolio and selection

Orientation and structure of the website is little bit hazy. There is no distinction between ordinary charter trains, carriages rental. Gallery tab gives access to the all types of album. Again mixing together all business activities which company is doing.

Overall design of the webpage is not following the new trend of interactive web 2.0 with large images and simple minimalistic user friendly approach.

3.3.2 Public relations

Public relations consists of publishing travelling articles in magazine, events and specialized presentations or seminars.

- Company has a positive relationship and partnership with the most popular weekly magazine in Slovakia, Plus 7 dní. There have been already five articles published in the travel section.
- Company is organizing regular events for company's employees, business partners and their relatives.
- Presentations and seminars organized for railway sector.

3.3.3 Direct marketing

Company is using customized signature for emailing with a link to the website. There is a central database with all contacts for emailing lists. Specialized contact list only for potential customers for premium train trips is not available.

3.4 PEST analysis of Slovakia

The macroeconomic environment represents many forces that can be influenced by firms only slightly. Some forces are given and company has no any control over them. Macro environment depends on many external factors and cannot be changed in short period of time (Kotler, 2010).

3.4.1 Political factor

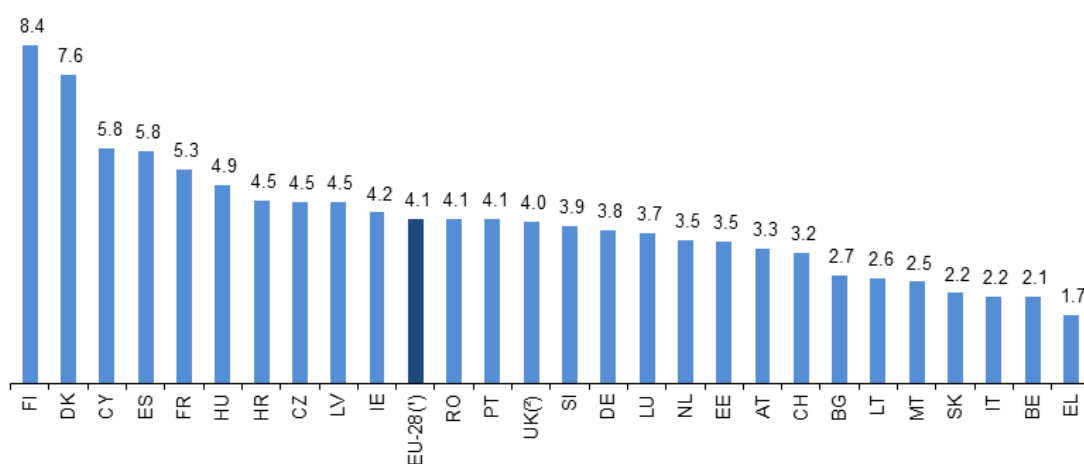
According to OECD (2015), in general, Slovaks are less satisfied with their lives than the OECD average, with 75% of people saying they have more positive experiences in an average day such as feelings of rest, pride in accomplishment, enjoyment, etc, than negative ones such a pain, worry, sadness, boredom, etc., and this estimated figure is slightly lower than the OECD average of 80%. Growth is projected to strengthen as higher export market growth boosts investment and exports, especially in the automotive industry. Private consumption will continue to grow, but is likely to face headwinds due to unfavourable conditions in a labour market characterised by high and persistent unemployment. Constitutional debt ceilings are becoming binding and limit the flexibility of fiscal policy. Strengthening active labour market programmes is needed to make growth more job-intensive while sustaining productivity improvements. Public spending on infrastructure and education should remain a priority. Major changes in European Union may affect administration process for receiving visa to foreign countries.

3.4.2 Economical factor

Slovakia is one of the fastest-growing economies of the European Union. The country's economy is expected to reach \$111.8 billion by the end of 2018. Slovakia has achieved high economic growth due to its economic reforms, inflow of FDI, in addition to its high exports and imports. Economic reforms and market-oriented government policy boosted the economic growth in Slovakia during the last decade. Increasing foreign demand has strengthened the trade sector and pushed economic growth. In the Slovak Republic, the average net adjusted disposable income of the top 20% of the population is an estimated \$29,511/ year, whereas the bottom 20% earn an estimated \$7,680/ year. Slovakia is a modern, private sector oriented economy that has enjoyed increased economic growth encouraged by international demand (Eurostat, 2015).

3.4.3 Social factor

The Slovakian economy suffers from high rate of inflation caused by high energy prices as well as an increasing VAT rate. The high unemployment rate is hampering economic growth and the retail and real estate industries, affecting consumer demand. The major strengths of the economy, include such as Slovakia offers a skilled, highly productive work force with relatively low wages, which is beneficial for the technology-based industry. Investment incentives are provided to different sectors to increase the business environment in Slovakia. Incentives are available to industries, technological centers, shared services centers, and tourism sectors. According to OECD, when asked to rate their general satisfaction with life on a scale from 0 to 10, Slovaks gave it a 5.9 grade, lower than the OECD average of 6.6. There is little difference in life satisfaction levels between men and women across OECD countries. This is true in the Slovak Republic, where men gave their life a 6.0 grade and women 5.9 (OECD, 2015). Stronger economy could signal shift in active healthy lifestyle, leisure and hand in hand travel with increased tourism. Slovakia is ranking below average EU value in number of personal trips (Illustration 11).



(*) EU-28 aggregate estimated for this publication, not including Sweden, including 2012 data for the United Kingdom.

(†) 2012 data.

Illustration 11: Average number of personal trips per tourist 2013 (Source: Eurostat)

3.4.4 Technological factor

Availability of the Internet by households in the Slovak Republic shows vivid increasing trend. Internet is available almost in 80% of all households in the country and this number will further increase. As cited by World Economic Forum (2014), not only Slovak Republic has the Internet connection widely available, but also its speed is very good – it ranked on 28th place out of 144 included countries in the latest competitiveness report.

3.4.5 Summary of PEST analysis

	Factor	Risks	Opportunities
Macro - PEST	Political	More strict visa regimes	Easier entry to the new countries
	Economics	Economic crisis or recession	Increased demand for travelling and tourism
	Social		Travelling and tourism as lifestyle
	Technological		On-line marketing can be more effective

Table 1: Macro environment analysis summary (PEST)

3.5 Porter's five forces

Microeconomic environment associate with the company itself. Company depends on the factors directly related to the operations. Namely on the other departments, suppliers, competitors in the industry and customers.. Porter's model analyses internal environment of the company and provides good base for identification of strengths and weaknesses of the company.

3.5.1 Supplier Power

Suppliers are in case of business with provision the tour operators. Both tour operator and Wagon Service travel have the same goal, to sell more trips and increase sales. If the provision decrease below 7% it might be not financially beneficial to continue with promotion of the premium train trips.

3.5.2 Buyer Power

Premium train trips are exclusive service. Customers are buying only in small quantity. Bargaining power of potential buyers is small.

3.5.3 Competitive Rivalry

There is a number of companies who are offering premium train trips on the Slovak market. When there will be created higher awareness and demand about premium train trips competition can become large and market will be quickly saturated by many offers.

Competition

Using the google search engine author of the thesis identified following competitors on the Slovak market:

- The most known premium train route is Trans-Siberian railway. There are many companies who sell ticket with basic transportation. Buying a package with additional services and whole experience with guide and fine dining is available from these companies:
 - Esotravel Slovakia - Bratislava
 - Blueoceantravel – Czech travel agency with office in Prague
 - Čedok – Czech travel agency with office in Bratislava
- African Rovos Rail route is offered by following companies:
 - Čedok – Czech travel agency with office in Bratislava
 - Golfove cesty (Golf tourism) – Czech travel agency S-Guide with office in Brno
- Other routes offered by Wagon Service Travel are not in portfolio in Slovak travel agencies. These premium train trips can be considered as a competitive advantage.

3.5.4 Threat of Substitution

Thread of substitute products is high. Market is filled with vast amount of different premium and luxury travel and tourism options. Considering premium train trips as form of tourism and not just transport there are many options how customers can enjoy luxury. Cruise ships offer even more comfort. Alternatively airlines offer faster way of transportation to the selected tourism destination. This force is major thread because there are no switching costs for customers.

3.5.5 Threat of New Entry

Selling premium train trips through the provision has low start-up costs. Costs required to start would equal to the costs of marketing campaign. There is small barrier for new entry. Any tour operator can join and offer one or selection of the premium train trips.

3.5.6 Summary of Porter's five force analysis

	Factor	Strenght
Micro - Porter	Supplier power	Weak to moderate force
	Buyer power	Weak force
	Competitive rivalry	Moderate to strong force
	Threat of substitution	Intensive force
	Threat of entry	Significant force

Table 2: Micro environment analysis summary (Porter's Five Forces))

3.6 SWOT analysis

For evaluation of Wagon Service Travel strengths, weaknesses and threads with focus on sales of premium train trips, author created following SWOT matrix considering the PESTLE and Five Forces analysis.

3.6.1 Strengths

- Company's background, valuable know-how and experience and in railway transport.
- Company management experienced every premium they are offering.
 - Additional own promotional material and photographs.
- Loyal customer base in own charter train trips.
- Wider selection of premium train trips on the Slovak market.
- Flexibility of the company.

3.6.2 Weaknesses

- Bad image of railway transportation in Slovakia
- Low awareness about premium train trips
- No assigned personal assigned just to promote specifically premium train trips.
- Small database of potential customers compared to main tour operators in Slovakia.
- Lack of marketing expertise.

3.6.3 Opportunities

- Cooperation with tour operators and providers to gain and exchange know-how in marketing.
- Market is not saturated yet, there is gap which may be used and tackled by effective marketing strategy.
- Expansion of the package offered to customers.

3.6.4 Threats

- Considering premium train trips as luxury service, economic crisis may significantly affect sales.
- Competition: Other tour operators with large data.
- Substitutes in form of luxury cruise ships or other tourism options.
- Economic crisis.
- Political change which would affect visa regime to the foreign countries.

3.7 Market segmentation

According to the information provided by company, the typical customer is person in the middle age with high income, belonging to the “middle-class” income class.

4 NEW MARKETING COMMUNICATION PLAN

4.1 Target determination

4.1.1 SMART goal

For setting the detailed objective of new marketing communication plan author used Peter Drucker's SMART criteria. A SMART goal stands for:

- Specific: Goal should be unambiguous and communicate what is expected, why it is important, who's involved, where it is going to happen and which constraints are in place.
- Measurable: Goal should have concrete criteria for measuring progress and reaching the goal
- Attainable: Goal should be realistic and possible for team to reach
- Relevant: Goal should matter to business and address a core initiative
- Timely: There should be an expected date for reaching the goal

Goal of the new marketing communication plan:

Increase sales in number of sold premium train trips by 15% until 31.12.2017.

4.1.2 Marketing communication strategy

According to the result of the SWOT analysis Wagon Service Travel should implement new marketing communication campaign which will based on the following points:

- Focus strongly on the selected portfolio which is company offering.
- Improve image of the railway transport and create awareness about the benefits of premium train trips.
- Create larger database and contact list of potential customer according to segmentation for direct marketing purpose.

4.2 Tactics - Communication mix

4.2.1 Advertising

Company should target their advertising on the following channels:

- Company paper magazine
- On-line presence

Advertisement in the TV its very expensive form of advertising. Author of the thesis doesn't recommend this channel in the beginning.

Company magazin

Company's magazine described in situation analysis is effective way of advertising in paper form. The magazine has more luxurious feel compared to the simple leaflets. Company should add the text in next magazine also in the English to be consistent with on-line presence. Company should keep this form of advertising and use the know-how, experience and partnership with publisher to create even more professional magazine as a representative form of advertising for the premium train trips. Magazines can be additionally available on the places mentioned in chapter 4.2.2 about personal selling after creating mutual partnership with these providers.

On-line presence

Company should focus on improving their on-line presence. Modern website should attract customer and be a main website in Slovakia which will cover premium train trips in attractive and interactive web. Recommendation are divided by author into two parts. Current trends in on-line presence and specific recommendations for on-line presence.

Current trends in on-line presence

- Calls to action

Many websites lose qualified leads because their calls to action don't stand out as much as they should. Bold colors, fonts and shapes should emphasize call to action buttons.

- Dynamic visuals

Videos, photos, slideshows, virtual tour guides, and other forms of visual media are value-added methods of showcasing destinations, amenities, and other draws for travel locations, and a responsive website is a core driver in leveraging these types of visual representations across all platforms and devices. With so many travelers completing bookings on smartphones and tablets, these optimized visual cues need to translate in each form of interface, and responsive web design will ensure these elements function properly every time each step of the way.

- Increased performance

A responsive design scheme will allow for a greater level of overall performance and functionality, which in turn will provide the customer with a superior level of service. Visitors to a responsive website will receive a streamlined experience through ease of navigation, user-friendly maneuvering, optimized flow of content, and one-click interfacing. These attributes will not only make it easy for customers to move around a website, but they'll also work as an incentive for customers to complete bookings.

- SEO

SEO is the process of proving the relevance and value of our product/service/website for a particular search term with a view to moving up the search engine rankings. With an online focus being so prevalent in the travel industry, travel SEO should be of high priority for any travel business seeking to succeed online.

Specific recommendation for online presence

The Additional following recommendations for new on-line presence should be considered by author of the thesis:

- Company should distinguish between premium train trips and other business activities. This can be done by operating on the new domain. Author recommends domain specialtrains.sk which is already owned by company and ready to be used (Illustration 12).
- Web should include major new trends in webdesign to create attractive structure, layout and content with big photographs.

- For selecting a train trips around the world author recommends interactive model of rotating planet earth with highlighted routes in each continent. Pointing at each route, the attractive photos with short labels of destinations should pop-up.
- Each train trip should have a content divided into tabs. First page should serve to attract visitor. Details and pricing should be under additional tabs.
- Call to action buttons should be implemented for each trip together with buttons for sharing on the social media.
- Company should create also English version of the website as Slovakia is slowly becoming country very popular for international companies which are using English as working language. Many expat managers at top position may be considered as potential clients.
- Improve SEO to be ranked first or second when searching premium train trips in Slovakia.

Whois Information

```
%
% whois.sk-nic.sk - whois server for TLD .sk
%

Domain-name specialtrains.sk
Admin-id WAGO-0005
Admin-name WAGON SERVICE travel
Admin-legal-form s.r.o
Admin-org-ID 35780576
Admin-address Cajakova 18, Bratislava 81105
Admin-telephone 52626451
Admin-email info@wagonservice.sk
Tech-id WEBG-0001
Tech-name Webglobe - Yegon, s. r. o.
Tech-org-ID 36306444
Tech-address Stara Prievozska 2, Bratislava 82109
Tech-telephone 02 / 58101060
Tech-email sk-nic@webglobe.sk; registrator@yegon.sk
dns_name ns1.websupport.sk
dns_name ns2.websupport.sk
dns_name ns3.websupport.sk
Last-update 2015-10-25
Valid-date 2016-11-20
Domain-status DOM_OK
```

Illustration 12: Registration of the domain specialtrains.sk by company Wagon Service Travel

4.2.2 Personal selling

Personal selling is defined by Kotler (2010) as the most effective tool for integrated marketing communication. According to the analysis of the 7P's model, company is seriously lacking in promotion through for personal selling. The key action recommended by author of the thesis is to join events where potential customers spend time:

- Golf events and tournaments
- Wine tasting events
- Cognac tasting events
- Polo and horseracing events

Additional opportunities which may reach more potential customers are:

- International fair of travel
 - 23rd ITF SLOVAKIATOUR in Bratislava, Incheba (26. - 29. 1. 2017)
- Own events
- Partnerships with other travel agencies and tour operators
 - Bubo Travel – Slovak travel agencies is organizing every year weekend filled in with seminars promoting various tourism destinations around the world.

Company should create detailed research and analysis of these additional recommendations.

4.2.3 Public relations

Author of this thesis encourage the company to keep continuing publishing articles in magazines. Slovak market suffers from bad image of state railways. Articles about premium train are great way how to improve this image and create awareness about premium train trips and company. Company should strive to publish at least every two months an article to press media.

4.2.4 Direct marketing

Company should improve their database for potential customers and set-up sending periodical newsletter with link to the trips offered by Wagon Service Travel. A monthly news promoting content on the blog and various news in the premium train trips tourism.

There should be modern template for sending emails created with design matching new on-line presence.

4.3 Guerilla marketing

Company could implement creative way of marketing using guerrilla effect mentioned in the theoretical background part of this diploma thesis. If the guerilla marketing will succeed it may bring additional promotion of the company for fraction of the costs compared to usage of traditional marketing mix.

Proposed draft for guerilla campaign will consist of these steps:

- Selecting a famous person or celebrity in Slovakia which is popular in the media
- Celebrity will sign contract with the company to keep the promotion a secret
- Celebrity will be secretly sent to the one of the premium trips
- With help of the family member and close relatives, celebrity will be labeled as missing. When implemented effectively this should create a wave of high coverage in the many news and magazines.
- With a right timing the missing celebrity will post a picture from a premium train trip on his or her social media. This can be published as secret leaked photos from friends of the celebrity on social media. Leaked photo should show celebrity in the attractive location with little logo of the company in background.
- The active monitoring of the situation should be performed in this time to monitor the activity on social media and news. The public should be suspicious and actively looking for more informations about celebrity.
- More photos can be posted later. All of them will link to the premium train trips and to the Wagon Service travel.

There should be prepared legal team which will take care of the possible fake accusation of the missing person at police.

This campaign uses surprise and diffusion effect of guerilla marketing. With certain level of coordination it may create massive coverage in media and company will gain lot of publicity. The campaign should be planned in the period when there are not any major political, sport or cultural events in Slovakia.

4.4 Action plan

4.4.1 Costs of the marketing communication

Marketing communication tool	Costs
<u>Advertising</u>	
<i>On-line presence design</i>	2 000,00 EUR
<i>Magazine 5 000pcs</i>	8 400,00 EUR
<u>Personal selling</u>	
<i>ITF Slovakia tour 2017</i>	3 000,00 EUR
<i>Extra events</i>	1 600,00 EUR
<u>Direct Marketing</u>	
<i>Email templates, content</i>	240,00 EUR
<u>Public Relations</u>	
<i>Blog and content</i>	700,00 EUR
<i>Guerilla campaign</i>	7000,00 EUR
TOTAL	22 940,00 EUR

Table 3: Proposed budget for one calendar year (2017)

4.4.2 HR perspective

According to the 7P's internal analysis of the company and People element, company should consider hiring a new employe whose scope and main aim will be premium train trips and coordination of the marketing activities. The potential new employee should be qualified and have an experience in development and management of marketing campaign. Another beneficial skill might be experience as sales person in field of premium or luxury services.

To support and enhance knowledge and skills of current employees, management of company should consider training in sales of premium and luxury services with focus on tourism. According to the Carine Roughan (2009) company should consider these four criteria for selecting a trainer:

- Legitimacy:
 - Does the trainer have actual experience selling to luxury clients?
 - What formal seminars have they attended to become a trainer?
 - What kind of platform skills do they have?

- Knowledge:

Does the trainer know about your products and how to explain their intrinsic and emotive values?

- Mind set:
 - Is the trainer genuinely passionate about your products?
 - Does he/she put down the competition?

- Decorum: How does the trainer represent your company?
 - Clothing
 - Accessories
 - Speech
 - Grooming

- How do they measure the success of their training?

Company management should decide who will be the key responsible person for premium train trips business activities and what share of their working hours should be devoted to this activity. This person will be leading marketing activities and communicating with tour operators before handing this task to the new employee who will take over majority of tasks.

4.5 Benefits and evaluation of the proposal

Improved advertising campaign should increase publicity and strengthen brand image. Magazin in three languages: Slovak, German and English will target additional potential customers and improved online presence will give company.

PR activities are designated primarily to increase awareness about premium train trips and secondary attract more buyers.

Main tool for getting more customers is personal selling by participating on the events where potential customers are spending their free time.

Creative guerilla marketing campaign if implemented successfully will boost the publicity of the company.

The risks are associated with macro environment which company cannot control. They are economical and political. In case of change the company should have a plan how to diversify their business activities.

Following the proposed marketing communication plan company should be able to sell more trips and increase profits.

Company could improve the marketing mix after establishing effective communication by tweaking other elements of the marketing mix. There is opportunity to offer additional train trips. Also in that case company can include Sales Promotion element into their communication mix.

CONCLUSION

Master's thesis starts with introduction into the railway transport and mentions the historical importance of this form of transportation. Continues by introducing the railway transport types. In theoretical part author includes definitions of marketing and provides both older 4P's model together with improved 7P's model more useful for the services marketing. Promotion part of marketing communication is identified as one of the most important and most visible parts of marketing. Communication concept is introduced and explained by AIDA model. In addition to the marketing mix author provides literature review of the innovative and creative form of guerrilla marketing. Marketing communication strategy is illustrated by Rabostic and SOSTAC model. SOSTAC model serves as a guideline for the structure of the thesis and also as main framework for developing improved marketing plan for company.

In the practical part author starts by overview of company and mentioning strategic issue. Analysis of current situation is executed by PEST analysis and Porter's Five Forces model. The SWOT analysis is created and serves as base for creating improved marketing communication plan.

Recommendations are focused on improving elements of marketing communication mix and introduction of creative guerrilla marketing proposal. Specifically on-line presence and sales promotions are evaluated as the most important tools for improving marketing of selling premium trips. Using the recommendations company should increase their sales of premium train trips.

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Details of Trans-Siberian Railway: Moscow - Beijing

Appendix B

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“Trans-Siberian Railway trip”

Appendix C

Cover and end page of magazine: 2007 - 2016

Appendix A

Trans-Siberian Railway: Moscow – Beijing

16 Day Railway Journey from Moscow through Mongolia to Beijing



What makes your journey unique

- “City of Lights” evening tour through Moscow
- The Kremlin in Kazan
- Welcoming ceremony with bread and salt in Novosibirsk
- Siberian wooden houses in Irkutsk
- Panoramic train route directly alongside Lake Baikal

THE JOURNEY

Experience one of the last great travel adventures. Your journey along the Trans-Siberian Railway, one of the world’s most fascinating and safest train routes, is even more interesting, comfortable, and entertaining with our privately chartered train. This grand private train journey from Moscow to Beijing via Lake Baikal and Mongolia is your chance to fulfil the dream of a lifetime.

Our trips are accompanied by an experienced multi-lingual tour director and a physician travelling on the train. A sophisticated on-board program complements a comprehensive excursion and sightseeing package to make your journey truly memorable. Take advantage of the extensive array of services offered by Europe’s most experienced travel organiser on this route.

Highlights of the journey

- “City of Lights” evening tour through Moscow
- The Kremlin in Kazan
- Welcoming ceremony with bread and salt in Novosibirsk
- Siberian wooden houses in Irkutsk

- Panoramic train route directly alongside Lake Baikal
- Picnic on the shores of Lake Baikal
- Mongolian horseback riding demonstration
- Beijing's Forbidden City and the Great Wall of China
- Daily talks on the region's culture and people
- Vodka tasting with traditional Russian snacks and red caviar

Retail rates include

- Journey with guaranteed lodging in the booked category aboard the exclusively chartered train to the Chinese border (Elian). From Erlian to Beijing (ca. 16 hours) accommodation in a 2- or 4-bed compartment in a Chinese sleeping car. The Chinese train does not include wagons in the Nostalgic Comfort or Bolshoi categories.
- Travel for several hours along the Trans-Siberian Railway panoramic route directly on the shores of Lake Baikal, with photo-stops
- Tour director with pertinent knowledge of the travelled route throughout the journey
- Competent tour guides for each group of no more than 26 guests.
- Experienced local tour guides
- All transfers / bus trips according to itinerary
- All excursions and sightseeing according to itinerary, including all entry fees
- All meals according to itinerary
- Porter service at all railway stations
- Vodka tasting with traditional Russian snacks
- Concise informational talks on the Trans-Siberian Railway, regional geography, culture, and history of the countries along the route
- A physician on board the train (Moscow – Chinese border)
- Shower facilities on board
- Informational booklet on the region and private train for each compartment reserved
- 1 overnight in a first-class hotel in Moscow
- 1 overnight in Irkutsk in a first-class hotel
- 1 overnight in Ulaanbaatar in a good, centrally located middle-class hotel
- 3 overnights in a first-class hotel in Beijing
- **Specials for Bolshoi guests:** two meals to choose from for Lunch and Dinner on board the train, 1 bottle of water per person every day in the compartment, 1 alcoholic or non-alcoholic drink included for meals on board the train

Not included

- Visa fees
- Gratuities
- International flights

ITINEARY

From Moscow through Mongolia to Beijing

Day 1: Welcome to Moscow

You are greeted at the airport by your friendly tour director and accompanied to your hotel. Our “City of Lights” tour shows you around the exquisitely illuminated Russian capital. You notice that Moscow is clearly on a par with Europe’s other great metropolitan cities such as Madrid and Paris. You stroll across the famous Red Square with your travel director and take a short trip on the underground to view several of Moscow’s particularly beautiful metro stations. Afterwards, you retire to the comfort of your 4-star hotel. You spend the night in a Moscow hotel. Dinner is included. (D)

Day 2: Moscow from its most beautiful side

In the morning you take an informative tour of Moscow, including the imposing grounds the Kremlin and its magnificent cathedral from tsarist times. Toward evening, you are greeted aboard your private train prior to departure. A relaxed get-together in the dining car offers the chance to meet your fellow travellers and learn more details about your private train. You spend the night aboard the train. Breakfast, lunch, and dinner are included. (BLD)

Day 3: Kazan

In the morning you arrive in Kazan, the capital of Tatarstan. You take a tour of the Kazan Kremlin (UNESCO World Cultural Heritage) with its wonderful panoramic view over the Volga, where you learn about the turbulent history of the relationship between the Tatars, the Cossacks, and the Russians. Your train resumes its journey eastwards in the evening. You spend the night aboard the train. (BLD)

Day 4: Yekaterinburg

Your train stops around noon in Yekaterinburg, the historical capital of the Urals. The city is remembered as the place where the Russian tsar Nicholas II and his family were murdered in 1918. During a brief tour you see the Cathedral of the Saviour on the Spilled Blood, which was built in 2003 in commemoration of that tragic historic event, and the city centre so attractively restored in 2009. Back on board, you continue on your journey through the vast steppes of western Siberia. You spend the night aboard the train. (BLD)

Day 5: Novosibirsk

You arrive in Novosibirsk, the heart of Siberia, where you are welcomed in the traditional Russian fashion with bread and salt. During a short city tour, you experience the most Soviet of all cities during your journey. You see the enormous Trans-Siberian Monument and the mighty Ob River. You spend the night aboard the train. (BLD)

Day 6: Trans-Siberia

Your train crosses the wide Yenisei River and rolls on through Siberia. The train’s chefs once again demonstrate their skills as they serve the guests Russian specialties in a “tsar’s feast”. A vodka tasting accompanied by clever toasts offers you a very enjoyable opportunity to combine pleasure and Russian hospitality. Your train passes by villages with their typical wooden houses and through birch forests set against a background of impressive mountainscapes and, hopefully, ample sunshine. You spend the night aboard the train. (BLD)

Day 7: Irkutsk

Today your train reaches Irkutsk, the capital of Eastern Siberia in tsarist times. During your city tour you see, among other things, the picturesque Siberian wooden houses and a memorial to Tsar Alexander III (the initiator of the Trans-Siberian Railway), which was erected in 2003 where the Trans-Sib Obelisk previously stood. After lunch you take an excursion to an informative open-air museum with a focus on life and work in historical Siberia. You spend the night in a 4 star hotel in Irkutsk. (BLD)

Day 8: Lake Baikal

Today you drive by bus to Listvyanka, a Siberian village on the shores of Lake Baikal, the largest reservoir of non-frozen freshwater in the world. From the village, a boat brings you across the lake’s deep waters to Port Baikal, where your private train is waiting. You then travel for several hours directly alongside Lake Baikal, on the original route of the Trans-Siberian Railway. Your train halts for several hours at a particularly scenic spot, for you to truly

enjoy the majestic calm of this unique natural wonder. Dinner is served as a picnic on the shores of Lake Baikal, weather permitting. You spend the night aboard the train. (BLD)

Day 9: From Lake Baikal to Ulan Ude and on to Mongolia

The journey continues along the banks of the seemingly endless Lake Baikal and then through the splendid Selenga Valley and the wild solitude of eastern Siberia's mountainous steppes. You take a tour of Ulan Ude during an intermediate stop there. Border formalities at the Russian-Mongolian border are an easy matter carried out on board. You spend the night aboard the train. (BLD)

Day 10: Ulan Bator

Today, early-risers are treated to central Mongolia's spectacular scenery, set in a mountain landscape dotted with colourful yurt camps and inhabited by solitary riders on horseback. In the morning you arrive in Ulan Bator, the capital of Mongolia. As always, you can leave your large luggage safely in your compartment. During your city tour you see the impressive Gandan Buddhist Monastery and the odd Chojjin Lama Temple, among other things. Beer gardens are very popular in Mongolia, and your evening includes a visit to the city's best. Afterwards, you have the unique chance to attend a performance of traditional Mongolian folk arts, including throat singing, horse-headed fiddle playing, national costumes, and dances. You spend the night in a 4 star hotel in Ulaanbaatar. (BLD) On request, we can organise alternative lodging in a yurt in the beautiful landscape of the Mongolian Alps. This is a rare experience and a dream come true for nature lovers.

Day 11: Ulan Bator and the Mongolian Alps

After breakfast a bus brings you to Terelj National Park, east of Ulan Bator. Here you get to see the nomadic herdsman's exotic settlements of tradition tents, horse herds, and scraggly yaks, a type of wild Tibetan cattle. A small Mongolian horse-riding demonstration is put on especially for you and you enjoy a picnic lunch served in these splendid surroundings. In the evening you continue on aboard your train towards China. You spend the night aboard the train. (BLD)

Day 12: Crossing the Gobi Desert

Around noon, you arrive at the Mongolian-Chinese border, where your chartered Chinese train is waiting. The Russian private train cannot continue towards Beijing because of the different track gauge in China. Your train reaches the Chinese capital in approximately 16 hours. The Chinese train does not include wagons in the Nostalgic Comfort or Bolshoi categories. You spend the night aboard the train. (BLD)

Day 13: Beijing

You arrive in the hustle and bustle of Beijing in the morning. After transferring to your hotel, the rest of the day is yours to do with as you please. You spend the night in a hotel in Beijing (4-star). (BL)

Day 14: Temple of Heaven and Tiananmen Square

A tour lasting several hours takes you to Beijing's most beautiful and important sights, including the photogenic Temple of Heaven with its park, the huge Tiananmen Square, and some of the city's contemporary architectural achievements, such as the new "Bird's Nest" Olympic stadium and several futuristic sky scrapers. In the afternoon, you are able to enter the Forbidden City, the former imperial palace, and view its numerous temples and halls. You spend the night in your Beijing hotel. (BL)

Day 15: The Great Wall of China and Peking Duck

Your tour today takes you to the Great Wall, the eighth wonder of the world. The giant wall extends for more than 6000 km through the countryside. On the way you visit the Ming Tombs, the burial site of 13 Ming Dynasty emperors, with its impressive Spirit Way. In the evening you enjoy a farewell dinner of world-renowned Peking Duck. You spend the night in your Beijing hotel. (BLD)

Day 16: Departure from Beijing for home

After breakfast, you transfer to the airport. (B)

(B) = Breakfast, (L) = Lunch, (D) = Dinner

Appendix B

Google transibirska magistrála zajazdy

All Maps Images News Videos More Search tools

About 153 results (0.46 seconds)

TRANSSIBÍRSKA MAGISTRÁLA | SATUR - dovolenka, last m...
www.satur.sk/hotel/transibirska-magistrála Translate this page
★★★★★ Rating: 4.3 - 82 votes
Dovolenka a last minute ponuka zajazdov v TRANSSIBÍRSKA MAGISTRÁLA, lacná dovolenka a zajazd Krajina, SATUR, lacná dovolenka a zajazd.

Transibirska magistrála - BUBO
<https://bubo.sk/...zajazdy/.../transibirska-magistrála-z-...> Translate this page
Transibirska magistrála je jednou z najväčších stavieb modernej doby. ... V tomto roku som sa zúčastnila poznávacieho zajazdu do Mongolska s navštevou ...

Poznávacie zájazdy | BUBO
<https://bubo.sk/poznavacie-zajazdy> Translate this page
Poznávacie zájazdy, cestovná kancelária a dovolenka. Kuba, Mexiko, Thajsko, Vietnam, Čína, USA, India, Japonsko, Austrália, Afrika. BUBO poznávacie...

Transibirska magistrála | poznávacie zájazdy Rusko
www.exotika.sk Poznávacie zájazdy > Rusko Translate this page
Program zájazdu: 1. deň ODLET Z PRAHY(VIEDNE) do MOSKVVY (večera). Odlet do Moskvy. Po prilete privítanie na letisku s anglicky hovoriacim sprievodcom, ...

WAGON SERVICE travel · Transibirska Magistrála
www.wagon-service.sk/event/?...=/transibirska-magistr... Translate this page
Transibirska železnica jedna z fascinujúcich a najbezpečnejších dopravných možností ... Zájazdy sa konajú za účasti nemecky hovoriaceho vedúceho zájazdu.

| STUDENT AGENCY | Transibiřská magistrála
www.studentagency.sk Cestovanie na mieru Translate this page
Vydejte se na úplně jinou dovolenou - vlakem přes celé Rusko až k Bajkalu. Praha - Kijev - Moskva - Nižnij Novgorod - Vjatka - Perm - Jekatěrinburg - Omsk ...

Transibirska magistrála - dobrodružné cestovanie Ruskom ...
www.dobrodruh.sk/.../transibirska-magistrála-dobrod... Translate this page
Apr 27, 2013 - Láka vás dobrodružné cestovanie Transibírskou magistrálou, krížom cez Rusko, no nemáte potrebné informácie? Prečítajte si nasledujúci ...

Transibirska magistrála (Komfort) - Rusko / Travel.Sk
www.travel.sk > ... > Rusko > Poznávacie zájazdy Translate this page
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Poznávací zájazd Transibirska magistrála. Ešte bohatšia než predchádzajúci rok. Pribudli napríklad poznávacie zájazdy do metropoly Dánska a Nórska, Kodaň ...

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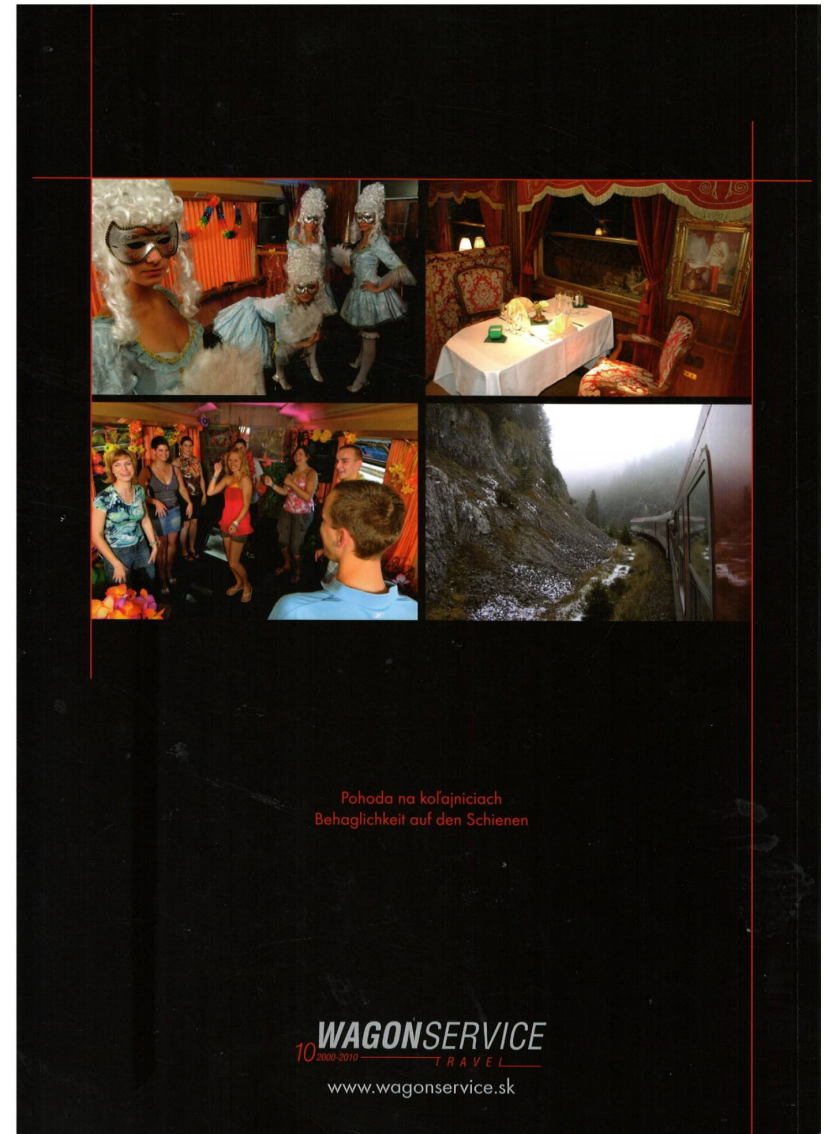
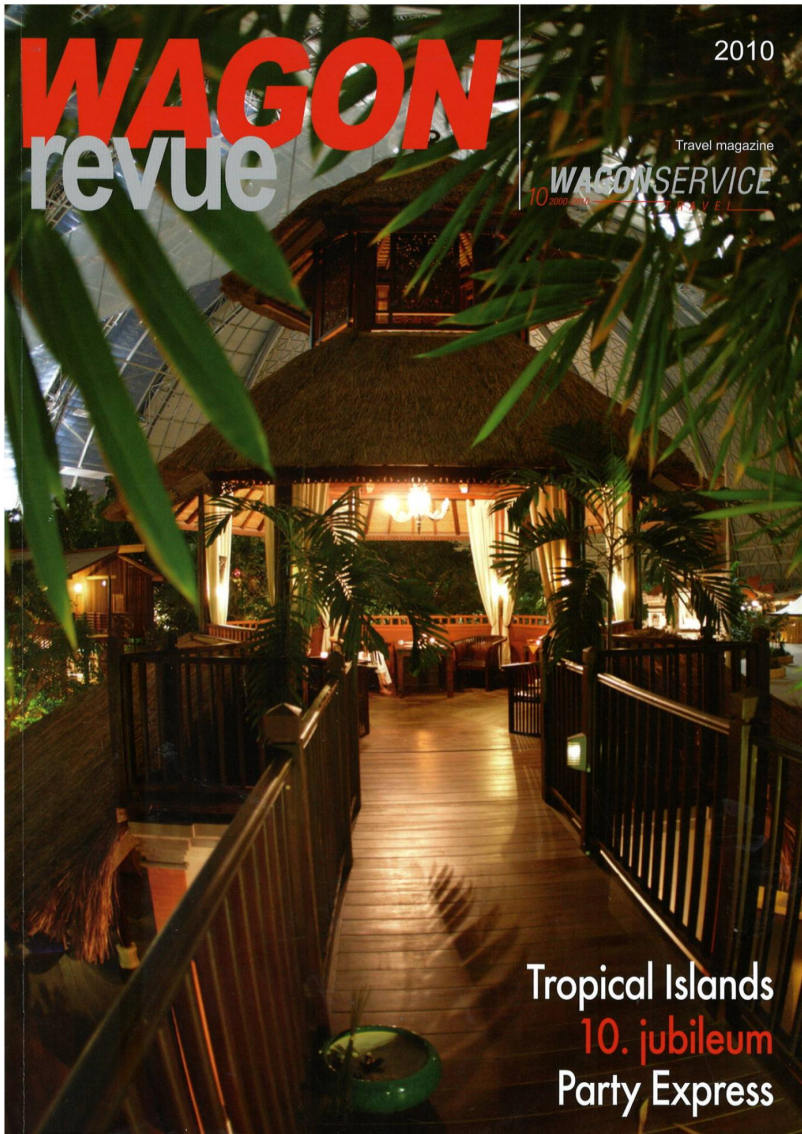
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Photo: Adolf Ziska (kalender, ZSK - Železnica, máj Živo!)

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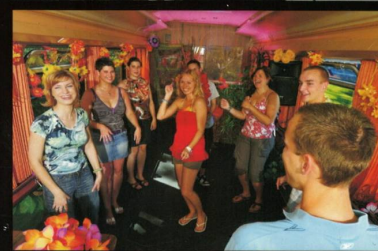
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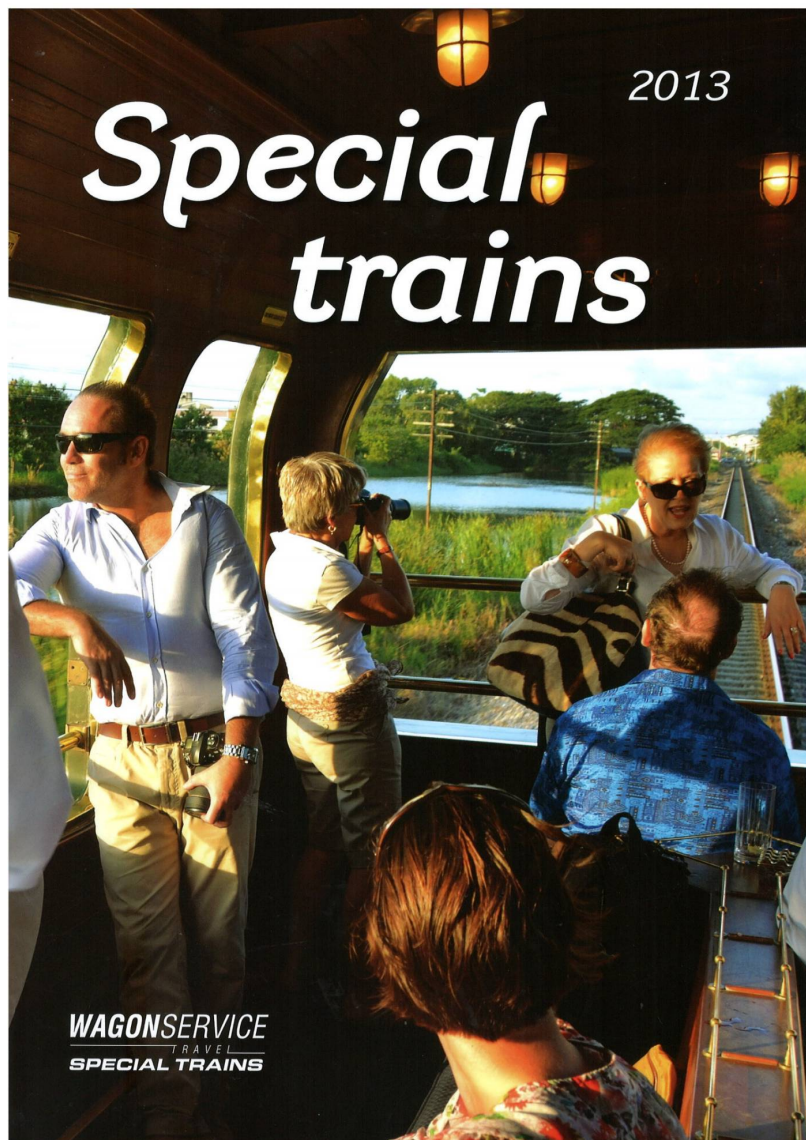
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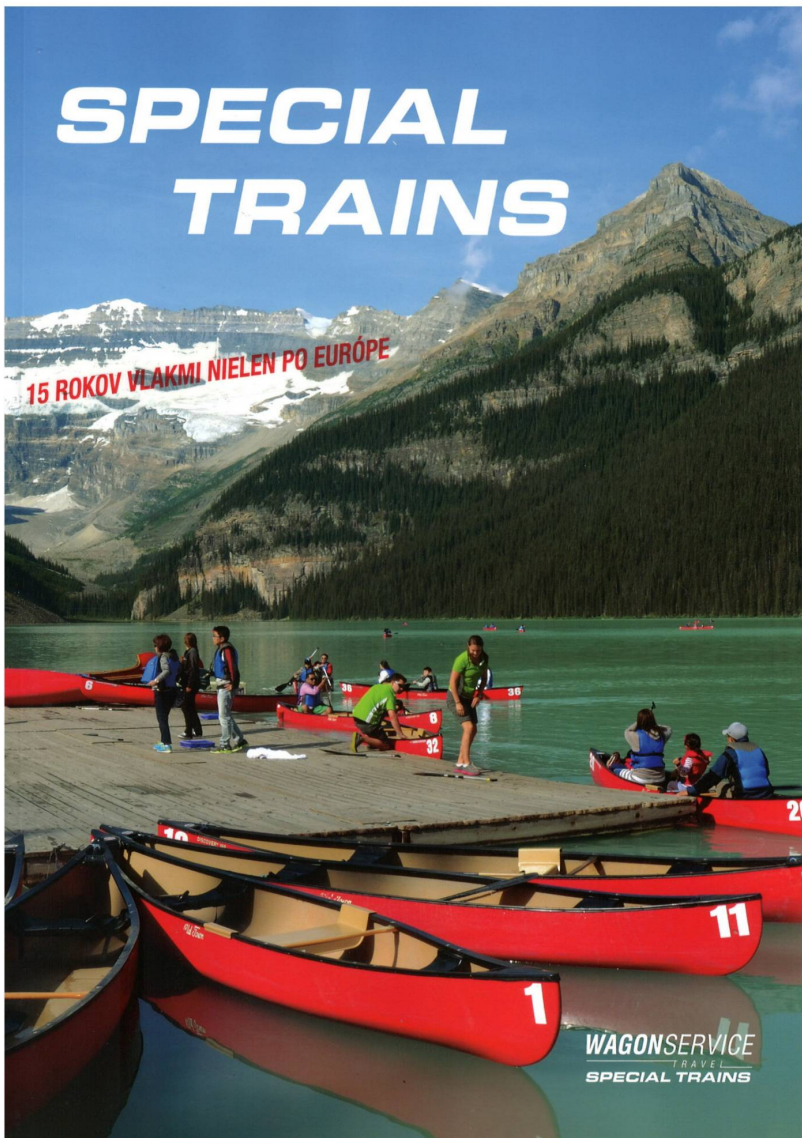
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