Czech University of Life Sciences Prague

Faculty of Economics and Management

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Abstract of Diploma Thesis

Marketing strategy of an international law company

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Marketing strategy of an international law company

Summary

The diploma thesis is describing an international law company selected by the Author from marketing perspective and its comparison with theoretical concepts. The literature review is applied to the marketing strategy of the selected law company and their marketing activities. The strategy is than critically evaluated and further analysed by a regression analysis. The regression analysis consists of three models: One-equation model, Simple Regression Model (which is improved version of the previous model) and Simultaneous model. The analysis examines the company's ability to win offer(s) submitted to a client and factors influencing the number of matters of the selected company.

SWOT analysis is providing a detailed research of internal and external factors influencing the company. The analysis also describes the position of the selected company on the market. Forecast of the future development based on current trends and recommendations for further development of the company, not only in the marketing field, is presented in the conclusions of the thesis.

Introduction

Any company that is providing services or products needs to attract its customers in today's competitive world. As the competition can be fierce, quality and price are not always the main decision making factors of customers. It is important to know the target group of company's interest, their delights, potential and current competitors and the market in which the company operates. Company can manage these factors by a well-structured marketing strategy which is an important part of the business plan of many companies. However, the importance of marketing strategy and marketing as a whole is still sometimes underestimated.

The law market is highly competitive and marketing activities are needed to support the law companies' goals. Marketing for law companies relies on a business-to-business approach and the relationship between a lawyer and a client is the key to the business. This diploma thesis focuses on the marketing strategy of an international law company and provides a detailed analysis of the selected office of this company in the Czech Republic and its Marketing Department. The topic and the specific law company were chosen for the Author's personal reason.

The second chapter defines the main aims and objectives of this thesis. The hypothesis is introduced and based on the results, the hypothesis will be proved or disproved. The methodology subchapter specifies the methodological tools used for analyses and defines the reasons for the selection of these tools.

The third chapter describes the marketing in a company in general terms and the importance of lawyers' relation to a client through the marketing activities. The selected company is introduced and denoted as **the Company** for further description. The theoretical background of each chapter is always applied to the case of the selected company and compared with theoretical concepts.

An important part of the marketing strategy is marketing plan. Its creation is described in detailed steps in the relevant subchapters and its application is discussed in relation to the selected law company. Each chapter analyses the quality and efficiency of the marketing tools used in the selected company and possible improvements in this field.

The regression analysis and the SWOT analysis are included in empirical part of thesis. Anticipated development and recommendation to the Company is created based on results of the analyses and researches.

Aims, objectives and hypothesis

The main aim of this diploma thesis is to analyse the marketing strategy of an international law company (the company's name is confidential and therefore cannot be disclosed) and suggest possible improvements to it. The additional aim is to create an overview of the marketing strategy changes in the company over the last three years and their impact on the company's marketing activities.

In order to achieve these aims, detailed data were collected from the company's databases. Other factors influencing the ability to win offers and receive matters are further analysed from collected data by use of regression analysis. This research then defines possible next steps to further develop and improve the marketing strategy of the selected company.

The hypothesis of the diploma thesis expects an existing relationship among the individual marketing variables (defined in regression analysis) impacting the ability to win the offers which can also significantly influence marketing processes of an international law company. Importance of the marketing department has been continuously increasing as it has got more involved in the company's everyday business processes.

Methodology

The diploma thesis utilizes two main theoretical methodological tools: firstly, the analyses of the data provided by the selected international law company and its marketing department, and secondly, regression analysis used to evaluate the marketing processes based on the possible relationship among variables.

The regression analysis is based on two models. The first model, One-equation model, analyses the relationship among the dependent variable of Winning offers (y_1) to independent variables Offers submitted (x_2), Pricing methods (x_3), Investments in advertisement (x_4), Number of company's clients (x_5), Members of team working on individual matters (x_6) and Number of Matters (x_7). The second model, Simultaneous model, analyses the relationship among the variables One-equation model and the variables of second equation where the dependent variable Number of Matters (y_2) is influenced by independent variables Winning offers (y_1), Number of company's clients (x_5) and Sales (turnover) of the company (x_7).

The monthly data for the regression analysis comprise of the time period between 2012 and 2015 and are focused on the area of the Czech Republic. The time period was

chosen to limit the influences caused by merges and acquisitions of the Company with other companies before and after this period. The research method was chosen as the most relevant for this analysis because of the complexity of the data, the likelihood of getting biased data which can be discovered by testing and the possibility to forecast next development in subsequent years.

The selected company is analysed by the SWOT analysis, which is the second methodological tool of this thesis and defines the external and internal factors affecting the business processes.

Anticipated development and recommendation

The key aim of this diploma thesis was to analyse the marketing strategy of a specific company which was denoted as the Company due to the confidential status. The detailed data were collected from the Company's databases and supplemented by an interview with the Business Development and Marketing Manager and Author's own research in the office in the Czech Republic.

The marketing plan of the Company is provided on the global level. The Business Development and Marketing Manager confirmed the Czech office has a local marketing plan as a part of its business plan. The marketing plan should be improved by evaluation of the marketing activities' efficiency and be considered as more significant, important and guiding by the employees of the Company.

Expectations of further expansions give them confidence on the market. The Czech Republic office plans to increase the employee base. However, the Marketing Department in the Czech Republic has inadequate number of staff and the increasing amount of work creates stressful work environment and possibly causes the employees in the department to leave.

Future extensions of the Company require improved communication and cooperation amongst all the employees of the Company. Employees of the Company are also overloaded by e-mails and personal meetings are often not used. A zero e-mail program (or other similar initiatives) should be implement in order to increase work effectiveness and interpersonal relationships. Low communication level among the Company's employees has resulted in the marketing database missing approximately 20% data on the submitted offers.

The Company faces the same problem that most of the global companies do: the uneconomical global distribution of office supplies and ineffective waste management. The

Company's interest in the environment could be beneficial for its image and could be used in a marketing campaign highlighting the green policies. The main recommendation for the Company is to "think globally and act locally". Not only in the relation to the clients but also to the employees, the environment and society as one big complex. Common sense in some occasions surpasses blindly following global decisions.

The regression analysis starts with the first model - One-equation model – which is focused on the Winning offers. The reduction of multicollinearity was unsuccessful; therefore the affected variable was excluded to limit the bias. Only one variable (x_2) is statistically significant at the 95 percent confidence limit or higher. To improve the analysis, the new Simple Regression Model was created by the significant variable of the previous One-equation model and other insignificant variables were excluded. The coefficient of determination R^2 determined that the explanatory variables describe the winning offers by 58.57% which means that the rest of the variables from the One-equation model had a very low influence. The results of the Simple Regression Model defined that if the offers submitted increase by 1%, the winning offers increase by 1.33%.

The Simultaneous model is composed of two equations as was mentioned in the Methodology. The detected multicollinearity was successfully eliminated. The whole Simultaneous model had four significant variables. The Coefficient of determination, R^2, for both equations was around 57%. From the results of elasticity, it is assumed that the Pricing structure has the biggest influence of the given variables of the first equation on the winning offers. The Investment in advertisement has the biggest influence of the given variables of the second equation. The models could be improved by more data which are now missing in the Company's databases and could be changed by better communication of the Company's employees.

The SWOT analysis defined that the Company has a very strong position in the highly competitive and price sensitive market. A significant weakness is higher pricing level compared to their competitors but the Company can justify them a great reputation and high quality services focusing on a specific market. The Company is able to keep their position and the market threats should not significantly affect them.

Selected Literature and References

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