



Marketing communication of Koryna company

Diploma thesis

Thesis author: Bc. Jurij Dobrjanskyj
Thesis supervisor: prof. PhDr. Miroslav Foret, CSc.

Declaration

I declare that this thesis *Marketing communication of Koryna company* was completed independently with my supervisor's assistance and that I have referenced all of the used literature and relevant sources and incorporated them into the bibliography.

Brno, 27th December 2014

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Jurij Dobrjanskyj

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Abstrakt

DOBRJANSKYJ, Jurij. *Marketingová komunikace společnosti Koryna*. Diplomová práce. Brno, MENDELU, 2014.

Hlavním cílem této diplomové práce je zhodnocení stávající marketingové komunikace vybraného podniku, založené na firemní marketingové strategii. Samotná práce je rozdělena na dvě části: teoretickou a praktickou. V teoretické části práce jsou popsány a vysvětleny základní metody a způsoby marketingové komunikace. Praktická část popisuje aktuální marketingovou komunikaci vybrané firmy a doporučení, jak stávající situaci zlepšit. Jako vstupní zdroj informací byly použité konkrétní firemní data v období 2009-2013 a interní informace od vedoucích zaměstnanců podniku, které byly získány formou pohovorů.

V závěru diplomové práce jsou shrnuté všechny výsledky a je navrhnutá optimalizace pro zlepšení marketingové situace podniku.

Klíčová slova

Komunikace, Marketing, image společnosti, kultura podniku, reklama, trh, zákazník.

Abstract

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The main goal of this master's thesis is the evaluation of the marketing communication of a selected company based on the firm's marketing strategy. The thesis is divided into two parts. The first part is theoretical and the second is practical. In the theoretical part, basic marketing methods are described and explained. The practical part contains a description of the actual marketing communication of the selected company and improvements are suggested. Concrete company data from the period of 2009-2013 was used as input information as well as internal information from the management of the company which was gathered through interviews.

At the end of the thesis, all of the results are summarized and an optimization to improve the marketing situation of the firm is inferred from the summary.

Keywords

Communication, marketing, company image, culture, advertisement, market, customer.

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1 INTRODUCTION

Nowadays, the situation on the market is beginning to slowly stabilize, but we can still see consequences of the financial crises which started in 2008 and became known globally mainly due to the bankruptcy of the Lehman Brothers financial institution. Nevertheless, the market seems to have calmed down although companies still have problems and are still afraid to invest into promotion and marketing. The main trend is for firms to make their product as cheap as possible to produce, to save on unnecessary expenditures, and to invest only in things of necessity.

Much has changed after the crisis. Previously, companies were trying to achieve larger profits, expand their fields of activity, and prosper as much as possible. We can't say that companies have given up this goal, but it is more complicated today to keep a company afloat because of strong competition that seeks to push prices down. One could say that the current goal of small and medium companies is much lighter. A lot of companies are "just" trying to return back to the situation before the crisis and it is not easy at all.

If a company wants to retain positive numbers in the business, it is no longer enough just to observe financial statements. As the market is changing so do the financial and marketing strategies of companies. In order to face potential competitors, strategies and methods of communication with clients must be chosen properly because there is only one best product on the market and companies must offer their customers some unique benefits from purchasing their product even though it may not be number one on the market.

Koryna Company is one such company that was struggling on the market affected by the crisis. The company, which is well known on the Czech market for its kitchen furniture and has a long tradition, ran into large problems a few years ago and had to declare bankruptcy. After a short time, Koryna became insolvent and was therefore sold to a new owner: L. A. Bernkop. After a period of restructuring in the company, all top management positions were changed and Koryna lifted itself out of bankruptcy.

There are several factors regarding why I chose specifically Koryna Company as a subject for marketing communication evaluation for my master's thesis. One of these reasons is the simple fact that everybody knows this brand and I haven't seen a single

advertisement of theirs in the past few years. Therefore, was really curious to find out about their marketing communication strategy.

Probably the most important reason for my choice is that I was completed an internship in this company was later offered to start a career under the new management of Koryna Company after my graduation. As such, as a first step in my future job, I would like to improve the marketing communication of the company and thusly start benefitting my future employer even before I commence work.

1.1 The Main Goal

The main goal of this thesis is to familiarize the reader with Koryna Company's marketing communication. Even the term "marketing communication" is used more and more nowadays but in practice very few people actually understand what it means. The communication mix is still either underestimated by a lot of Czech companies or it is confused with terms such as "advertisement and direct marketing" which are an important part of marketing communication, but not the only component. Therefore, this thesis should help those that would like to fully comprehend the actual difference between all of the components of marketing communication.

The outcome of this master's thesis will be an overview of the main elements, procedures, and principles which form modern marketing communication. Afterwards, all of these elements will be compared with the actual state of Koryna Company's marketing communication which will be evaluated.

To be more precise, the theses will focus on capturing all of the benefits and flaws of Koryna Company's marketing communication and improvements will be consequently proposed which may help with the company's marketing communication. Off course, all of the marketing communication improvements will be evaluated while taking into account the financial health of the company and therefore the realistic investment possibilities. All of this marketing advice will be beneficial not only to the chosen company, but it will also be generalizable in that it will be applicable to other companies with similar goals and in a similar situation.

1.2 Methodology

The work is divided into two parts: a theoretical part and a practical part. The first step is to perform a literature review of marketing communication with a customer, which is basically the most visible part of marketing. The literature review will introduce and explain what marketing communication actually means and what it is composed of, for example methods of advertisement, direct marketing, public relations, personal sales, sponsoring, etc.

As a source for the literature review, not only books (printed materials) will be used, but electronic articles from internet which have become more and more popular in the last decade will also be utilized.

After the literature review, we will continue with a second, practical, part, where the actual state of Koryna Company's marketing communication will be elaborated including a historical overview of the company and a product portfolio.

Two methods will be mainly used to ascertain the actual situation of Koryna Company's marketing communication. The first method is based on the observation of all available visual and empirical aspects starting from the logo, staff uniforms, the factory's surroundings, the understandability of the website, etc. All of these findings were gathered during the several months I spent interning at Koryna Company.

The second method will be an interview of members of the company's management as well as of executive workers. This second method will help us to uncover hidden flaws within the company's communication and to reveal more about the company's culture and identity such as what are the reasons for employees to work for Koryna Company, what is the company doing for their career development, and what is prepared for students after graduation.

Afterwards, we will proceed to feasible suggested improvements. These have to be recommended in such way that the marketing communication will improve not only with customers, but also within the firm and in regards to the general public.

All of the improvements will be also suggested in accordance to the financial possibilities of the company. As a source to ascertain these financial possibilities, financial statements, balance sheets, and profit and loss statements from the years of 2009-2013 will be used. All of this hard data is freely available on the internet and the

websites are mentioned in a list of used electronic sources. Only data from year 2013 are still not available and they are attached at the end of this master's thesis in the appendices.

To meet the objectives of this work, in conclusion the author has to sum up all of the external and internal information which will help as a key to successfully improving the actual state of marketing communication within Koryna Company.

THEORETICAL PART

2 IDENTITY, CULTURE AND IMAGE

When we want to start with analyzing of the marketing communication of a chosen company, we should first correctly understand the concept itself. We will look at this phrase piece by piece in order to be better informed and afterwards summarize the meanings for an overall picture about the situation.

There are a lot of definitions of the term “marketing”. One of the most fitting examples is that it could be explained as a process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. [35]

There is of course a series of steps which have to be accomplished in order to reach this goal. We can narrow these steps down to five which are the most important. The first four steps create value for customers. First, marketers need to understand the marketplace and the customer’s needs and wants. Next, marketers design a customer-driven marketing strategy with the goal of attaining, maintaining, and increasing the number of target customers. In the third step, marketers construct a marketing program that actually delivers superior value. All of these steps form the basis for the fourth step: building profitable customer relationships and creating customer delight. In the final step, the company reaps the rewards of strong customer relationships by capturing value from customers. [35]

As the first part of the expression is already understandable for us, now we have to focus on the second part of the phrase. In everyday life we use verbal or non-verbal communication to convey our message to some other person or group of people and we also receive feedback, but this is only common understanding. If we look closely at the term “communication”, we can understand it as a two-way process of reaching mutual understanding in which participants not only exchange (encode-decode) information, news, ideas and feelings, but also create and share meaning. In general, communication is a means of connecting people or places. In business, it is a key function of management – an organization cannot operate without communication between levels, departments and employees. [36]

In summing up both of these meanings, we obtain the final definition which basically means that marketing communication is a message which a company wants to deliver in a direct or indirect form to all of the people which are or could somehow be connected to the firm, especially their actual or possible customers. There are a lot of channels by which to deliver these messages to the final recipient. Examples of such are print, television, radio, personal sales, and the internet which is nowadays very popular especially within the younger generation.

To clarify the expression of “marketing communication”, we should also define its synonyms which will be used in this thesis. According to Foret, marketing communication is also the labeling as a propagation, communication mix, or commercial communication. Here and further in the paper, we will give all of these four expressions the same meaning. All of the other terms which are used by general public are not technically correct and give rise to misunderstanding in regards to terminology usage. [10]

After defining marketing communication, which could but still doesn't have to tell us a lot about the issue, we may focus more on key factors that make every company special in its own method of communication. Here we are talking about the things which are set from the beginning by the owners or management of the company. These things may seem unimportant but they are the key factors to success. We could compare these mystery things to the roots of a tree – if the roots are in good shape and go really deep into the ground, they will hold and serve to convey necessary nutrition to the crown of the tree, and are therefore the basic things needed for the success of the future development of the tree. Three very important factors are at play behind the example of our hypothetical tree, and from the beginning they will affect our future success or failure. These three factors are identity, culture, and image. [14]

2.1 Identity

On a daily basis we encounter the expressions of “corporate identity” and “image”. However, these expressions are much less frequently actually defined and the relationship between these two basic terms, which we cannot substitute one for the other, is seldom analyzed. The most frequent mistake is that corporate identity is usually confused with corporate design which is just a part of corporate identity itself

(visual identity, logo, business cards, folders, etc.). The corporate identity is actually an important part of a firm's strategy and through its corporate identity a company starts to communicate with a customer on a basic level. The corporate identity represents a unique self-expression that can be thought of similarly as to the fact that each individual has their own specific characteristics. A company's corporate identity includes its history, philosophy, vision, the people belonging to the company, and its ethical values. It is defined in different ways, but its essence lies in the complexity of the image which is mediated by a number of tools that are comprehensive and coherent. Certainly not just about the visual appearance or style, the corporate identity is also part of the development and growth of a company as it can influence financial indicators and the company's productivity as well as the behavior of employees. [28]

If we sum up all of the findings about identity, we realize the key difference between image and identity: corporate identity is what the firm is or wants to be, while the image is the public picture of this identity.

2.2 Culture

When we speak of culture, we must realize that there are a lot of meanings associated with this concept and the correctness depends on the field in which we are operating. Henceforth in this paper we will connect culture with the expression "corporate culture".

Each firm has its own corporate culture which is unique. Different people have different desires and expectations from the company they are working for or buying from. Here we are mentioning not only customers which are interested in culture, but mainly employees. Even a product made best through marketing cannot stay on the top forever if there are no people to actually sell this product. Therefore, we see the beginning of culture as in between own employees. [10]

As for the actual definition of corporate culture, we see not one but two possible definitions. According to Bělohávek, corporate culture is a set of commonly shared ideas which members of a company have acquired due to an effort to integrate into a corporate environment and associate internally. Such a set of ideas which appears to be functional is then adopted by new members of the group. They decided to learn new

understanding of the workflow as the most appropriate way of thinking and have desirable emotional connections against this factors. [3]

Another definition says that corporate culture represents a set of values, norms, believes, attitudes, and assumptions which probably hasn't yet been formulated on paper, but is apparent in behavior, negotiation between people, and the ways of job execution. Values are associated with things which are believed to be important in regards to the behavior of people in the organization While norms are non-written rules of behavior. [1]

2.2.1 Creation of a Corporate Culture

The first option of how to create a corporate culture is usually presented by the founders of the company. Most of them have a vision or idea of how they would prefer to be perceived within their company. Founders try to incorporate their own ideas and visions which, in their opinions, are the most valuable and useful for further development of the firm. However, this isn't the end of creating a corporate culture. With an increasing amount of people involved in the company, there is an increasing number of ideas and influences taken in from the outside. There wasn't ever a company that did everything perfectly from the beginning. There is always the possibility a new employee will bring new ideas which could improve the situation in the firm. On the other hand, corporate culture does not change very drastically over time. There are constant changes but the main ones happen in the beginning. The one and true corporate culture is formed during this time and then it slowly starts consolidating into its final form. Afterwards, the founders and employees try to perceive the corporate culture and teach newcomers to follow the principles. A few tools serve as support for this, the best known being the possibility to choose future employees which seem to fit into the corporate culture along with teambuilding exercises and promoting socializing among employees. [16]

2.2.2 The Ethical Codex as a Part of Corporate Culture

Transformational processes on the economy create new requirements and criteria for ensuring the successful prosperity of a company. More and more companies are starting to recognize substantial limitations to realizing their business intentions due to economic drawbacks and moral limits in character. Reputable firms from developed economies have realized that ethics are an important start-up presumption of a long-

term successful business. Ethics brings benefits to a company and also to the entire society. Aspects with the most crucial influence on the level of corporate ethics are corporate culture, organizational structure, organizational norms, the system of rewards and sanctions, and the class of managers. [16]

The ethics question nowadays has been integrated in all corporate processes and represents a considerable comparative advantage in the form of, for example, better good will. The most common way to express corporate ethics is in the formulation and presentation of an own ethical codex employees as well as the general public. The codex includes rules of behavior and a definition of moral principles to which the company is avowed. The main goals of the codex are the solution of ethical topics, a limitation of random decisions, and the streamlining of ethical behavior of managers and executive employees. The ethical codex arises from the company's values and expresses own moral responsibility also towards the stakeholders of the company. [16]

2.2.3 National Culture and its Influence on Corporate Culture

Culture helps us understand why different groups of people understand things differently than others. With increasing international competition, national cultures are of growing importance. Cultural issues and needs of understanding are becoming an important part of behavior. Cultural practices differ from one state to another and therefore our cultural values can be incomprehensible and difficult to understand for some others. Culture provides a link between life attitudes and values and enables decision processes, coordination and management. Culture is a part of an effective and powerful company. [3]

According to Bělohlávek, we can divide the levels of corporate culture into four main areas:

- **Transnational organizational culture**

This is the industrial culture of developed countries. The differences in behavior in between citizens of various people in industrial states are relatively small. This culture was formulated for centuries on the basis of Euro-American civilization and was spread into other countries with the development of industry and the economy.

- **National culture**

National culture expresses special features of a certain national tradition. In the framework of transnational cultural examples, we can find many specifics of national cultures. A traditional area of study was that of Japanese culture which is characterized by collectivism and an extremely high sense of duty. It is also possible to observe differences between individual European cultures, for example, differences in the behavior of Italian and German companies.

- **Own company culture**

This culture develops due to the different developments and contributions of people within one country.

- **Subcultures inside a company**

Cultures within a company constitute those of people with a common profession in the company – accountants, operation managers, top managers. We can define subculture as a group of people with the same values and at the same time they have different interests and behavior from the rest of the organization. [3]

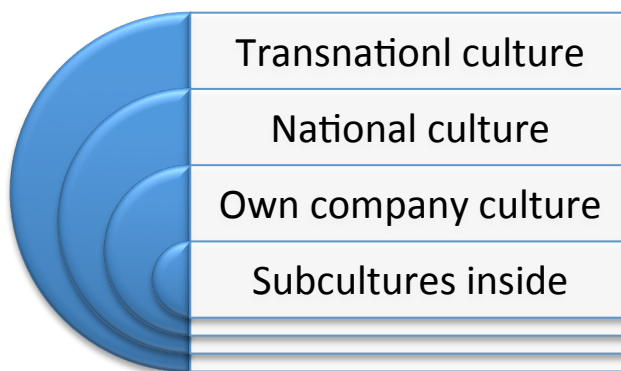


Fig. 1 Levels of corporate structure

(Source: Author; based on Bělohávek 1996)

2.3 Image

There are quite a few definitions of image, but to make it as clear as possible, we will focus only on two of them. The first represents the importance of image to all people which are somehow connected to a company. The second definition is applied mainly in

terms of customers because they are the reason why such things as image are created in the first place. [17]

- Image is the perception of a corporation held by the public based on how it is portrayed through branding, public relations efforts, news media, stakeholders, employees, labor unions and consumer advocacy organizations. Companies invest a substantial portion of marketing and advertising dollars to build and maintain a positive corporate image which is critical to their competitive standing. [30]
- The image of a company is really important for customers mainly because it helps with orientation. The image basically replaces the necessity of knowledge because there is no person in the world at one moment that knows everything that is going on around him or her. Image affects the perception of the company and controls the behavior of relational groups in both ways – negatively and positively. This is the main reason why companies try to create an acceptable image of their “corporate personality”. [28]

3 COMMUNICATION

Communication is usually reduced only to a sphere of information, but the view on this problematic should be broadened. The subject of communication may be any creation (created by human or by nature used as verbal or non-verbal, tangible or spiritual) presented by one side (a physical or institutional entity) and perceived by another side. It is mainly the action of one side and the following reaction of the other side represents the basis for communication. [10]

3.1 How to Communicate Effectively

Effective communication can be summarized in the sense that maximal effects have to be achieved with minimal efforts. In practice, the basic components of communication are:

- Reliability – communication is based on mutual trust.
- A correct chosen time and place where the communicating is performed.
- Understandability and importance of the content – the message has to be relevant. It is not important what we are saying, but rather what it is changing, mainly what is the purpose, the real and hidden goals, of the communication.
- Clarity – the message should be explained using basic signs and symbols. It is important to understand an issue and be able to forward it to another person afterwards.
- Continuity – communication is a never-ending process that requires constant repetition and development to reach the desired goal.
- Use of proven channels – it is necessary to use preferred communication channels appropriately, because the receiver already has an established relation and respects them.
- Knowledge of the receiver – the more we know about a receiver the better for the communication to continue. [10]

On the other hand, it is also important to know what we have to avoid during communication:

- Changing information during the flow in the channel.
- An inappropriately chosen communication channel.

- An inappropriately chosen place and time for communication.
- An incapability to listen to the issues of others.
- An unwillingness to care about the problems.
- An underestimation of the non-verbal side of communication. [10]

3.2 Communication Tools

Even through all of the progress in electronics, face-to-face communication remains the most useful mode. The main disadvantage of this communication path is the scope of the receivers. [10]

Face-to-face communication can add a series of non-verbal aspects like gesticulation, mimics, movement, body language, clothing, furniture in the environment, and even smell and touch to basic communication. Therefore, this type of communication targets your perception more complexly stimulating more senses at the same time. The main advantage of this type of communication is that we can immediately observe feedback from our message and react accordingly. The main disadvantage is that the partners suppose to meet at the same time at the same place, which is not usually easy or even possible. [10]

Probably the most widely spread substitute to personal encounters today is represented by telephone services. These remove space barriers and therefore we can talk from any place we want. Of course there are limitations associated with these tools in the form of a lack of visual contact. Communication via phone with the usage of video is able to overcome this barrier today. However, this trend is still not so widespread mainly due to differences in mobile devices between users and limits on the digital transfer of information from the side of operators. For video conversations, FaceTime and Skype technologies are used most these days. The first mentioned is from the Apple Company and the second is owned by Microsoft, both of which are two of the most famous players in the IT field. [10]

Letters represent another form of communication. This principle has been known for years and almost hasn't changed – messages are delivered in the form in which they were created by the sender. Over the years, the speed of mail by post has increased a lot, but the price is still high in comparison with other communication tools. On the other hand, the recipient feels exclusive treatment in receiving a letter and this can be the goal

of some companies. The most important part which must always be remembered is a salutation and a personal signature at the end, creating an image of a personal approach. [10]

Modern and technologically more developed forms of mail are the telegraph, fax, electronic mail, and short text messages (SMS). Only the last two are widely used by the public today. I am not afraid to say that the telegraph and fax are already obsolete technologies which are used very rarely. The main advantages of electronic communication are the speed and popularity among users, but also the financial conditions which render this mode of communication almost for free (only small payments have to be made for SMS and even smaller ones for emails). The main disadvantage in comparison with post mail is that the user is losing exclusivity and the image of a personal approach. [10]

The most common communications within a group are a meeting, session, briefing, and conference. The main disadvantage is again the same as in the case of a personal encounter – the participants have to be there personally and at a certain time. Problems with organization meetings increase with the amount of participants. At the same time, brainstorming, a commonly used way of finding solutions for problems or of finding new ideas, is a valuable technique in a lot of firms. [10]

A more modern form of a conference is a teleconference when a group of participants from different places are connected at the same time through phone lines or the internet. Cameras are sometimes used in addition to microphones. [10]

3.3 Media

The radio, press, and TV are not the only available media by which we can communicate. A greater variety of sources can be used as communication media. For example, codes could also be used as a medium for communication. A natural language, for instance the Czech language, can be considered as a code. Codes are systems of signs and rules on how to use them and we can assume them as a primary communication medium. However, the sole usage of code isn't sufficient. The development of human civilization saw an increase in the necessity to transfer codes via longer distances in the shortest possible amount of time, to as many people as possible, and at the same time to the ability for storage for future needs rose in demand. Because

of these reasons, it is possible to follow the development of secondary media of communication by which people try to overcome the distance and time limits of their messages. By such communication media, we can mean sources and tools which transfer or record our messages. These are pictures, letters, print, and all mechanical, analogue, or digital broadcasting. [12]

The first mass medium appeared in the mid-15th century as a printing press.. Even after more than 500 years of its existence, printed words are still used as a valid mass communication medium. However, lately new attractive competitors are pushing the number of readers down. The popularity of mass media is rising in terms of viewership and it itself includes radio, film, television, flash disks, and the internet. All of these “new” modes of mass media are making the position of printed word more fragile and its prospects are even worse. Because of this, most traditional printed materials today (books, newspapers, magazines) are additionally or even only in digital form which is usually available for customers on the internet. The internet mainly helps with interconnectedness between mass media including the radio and television broadcasting. [10]

Media communication means the sum of all mass media (television, radio, newspapers, magazines, etc.) accompanied by additional resources that may also mediate the flow of marketing communication (billboards, displays, promotional stalls, mail, etc.). There isn't an ideal medium for propagation as each type has its strengths and weaknesses. The effectiveness of propagation depends on marketing strategy synergy and therefore on the advertising goals, the intended target audience, the available financial resources, and the nature of the chosen medium. It is important to know who we want to target, how often, with what emphasis, and for what price. [14]

Each ad is for a pre-defined target group. Not all promotional media are fully accessible to all members of that group, not all of its members are exposed to specific media, and not all of them will notice the advertising in media, memorize it, and become impacted by it. [23]

There are several representations of mass media, but I would like to mention the ones most used nowadays:

- *Press*

The National Press is the collective name for all newspapers, magazines, journals, weeklies, and monthlies. There are many of them and they differ substantially by content, style, and type of readers. Print advertising will also include various leaflets, brochures, advertisements, books, catalogs, and more. Readers will be more positively open to print than to the television or radio because their choice for reading was made by themselves. Printing and printed word generally enjoy a greater trust from the side of the general public than visual communication does. Printed media offer more space to advertise a detailed message. For example a list of stores where one can purchase the advertised goods in different locations can bring the customer directly to the place of purchase. McLuhan compares magazines to advertising because they also present a report in the compressed form of a mosaic that resembles the world of advertising and therefore they are popular with readers. The life of the printed ads is longer than on TV and on the radio and it is possible to return to the ad at any time. With lower costs, it is possible to make changes more flexible. For journals it can be more easy to identify the target group and therefore to choose advertising appropriately. [4]

- *Radio*

Radio is an omnipresent medium because radios are mobile. Radios only allow for audio communication while visually the listener is dependent on his or her imagination. The radio attracts less attention and is called a "sliding" medium because the listener rarely focuses exclusively on the program. Radio advertising must therefore create more effort in some ways in order to achieve efficiency. We could say that the radio is a medium which intends to reach a mass market, but due to regional differences and variously oriented programs, each station also extends to a specific target group. Radio advertising is not permanent, so for a successful transmission of a communication, frequent repetition of advertising is crucial. The design and broadcasting of radio advertising is much cheaper than in television commercials. Therefore, in some cases, radio is used to boost up TV or print advertising campaigns. [2]

- *Television*

Television advertising is an extremely powerful promotional tool as it allows to simultaneously perceive vision and hearing which is further enhanced by the capture of

motion. With the combination of sound, text, movement, color, and the option to capture the mood, television advertising achieves greater clarity and efficiency than any other. Television is regarded as a prestigious medium and a portion of its seriousness lends to the brand or product being portrayed by the particular ad. [2]

According to McLuhan, TV advertisement is a so called “cold” medium because it appeals to the consciousness of an unconscious audience. The old hot world of aggressive and persuasive advertisements on TV therefore works on the screen by ways of ancient and comic impression. [19]

- *Cinema*

From the technical and dramaturgical perspective, advertisement in the cinema has much in common with advertising on television. Here also there is a concentration on the visual aspects with sound and movement, but everything is mostly enhanced by a wide screen and good acoustics - advertising is becoming more impressive. Also, the length of the individual time slots is longer than on television. Cinema is an appropriate means to reach a younger audience whereas the older population is not so amazed nowadays. Depending on the type of film and the expected composition of the audience, the advertising can be focused thematically. Addressing the whole target group here lasts longer than via any other media. The campaign is therefore usually planned for several months. Any advertising effectiveness is emphasized by the fact that cinema advertising is indeed observed, is part of the cultural experience and projected immediately prior to the film and therefore it is not so easy to escape from it. [25]

- *Internet*

Internet advertising is a phenomenon that has grown in popularity over the last few years along with the medium itself. Along with mass expansion and use, the Internet also increased in being used for advertising. The Internet is seen as a unique source of information and means of communication, but also as an important marketing tool. [25]

Advertising servers serve to control the ads and they operate at three levels:

- Administration hoardings
- Banners provision
- Sale of advertising space [25]

The advantage for content providers is the modest administrative management of advertising space. The selection of sending individual files depends on the type of the lease on advertising space:

- Percentage view - a banner ad is displayed as a certain percentage of the total load of the selected page
- Number of views - the number of users who have a chance to see the advertising banner is exactly given
- Number of clicks – the minimum required number of users who click on the ad link is determined [25]

These methods provide valuable marketing data because they also serve well as digital access to statistics for individual pages. Besides the number of page views, it is also possible to determine from what domain the user connected and which browser he or she used for this purpose. [14]

The Internet is a unique medium because of its interactivity. Communication between the computer and the user requires the immediate exchange of actions and reactions. It may be easier to purchase or use the services offered since it is right in front of the user's eyes and just one click is enough. Advertising here is not limited by time or space; it is accessible continuously 24 hours per day and 7 days per week. Obstacles in using the Internet may be the capacity of sources, unavailability of equipment, dependence on electric voltage, and even a language barrier. [25]

- *Social media*

Social media have become a major element of our society. They can be defined as collaborative online applications and technologies which support the origin of informal relationships by the sharing of information and collaboration amongst a community of users. It varies from the so-called “mainstream media” in that anyone can create, comment on, and share content. Social media brings an essence to communication: interaction and sharing. [12]

Advantages:

- Worldwide range – connecting people all around the world
- Continuity – it is possible to be online all 24 hours in a day
- Rapid communication and information

- Feedback – to receive feedback immediately
- Low cost – the level of expenses is relatively low
- Voluminous and selective information – in all patterns such as text, video, and photographs.
- Easy maintenance of information – it is relatively simple to update, keep and share [6]

Disadvantages:

- Technology limitation – communication only amongst people connected to the Internet
- Impersonal communication – the lack of physical contact, except in the case where web cameras and microphones are employed
- *Outdoor media*

External or outdoor advertising is propagated through poster sites, billboards, light advertising signs, banners, awnings, windows, or three-dimensional objects. This media promotion serves primarily as a reminder function to of commercial entities and is located in areas with heavy traffic. This group also includes advertising in other sources such as in public transport and on tickets, postcards, shopping bags, and in many other more or less than usual places. [2]

To be effective in outdoor advertising, it is appropriate to make the communication possible to be absorbed in approximately five seconds. The text should not exceed five or a maximum of eight words and should be readable from a distance. Advertising should attract the attention of passers-by, hence the importance of visual inventiveness. Color and size and emotional tuning of ads are positive effects in this case. [2]

4 **MARKETING MIX**

The marketing mix is a complex of controlled marketing variables which suppose to be set in such a way that the firm's production will be in accordance to the desire of the target customer. The marketing mix is created by everything that could affect demand on the company product. Creating a marketing mix means it is necessary to search for and create optimal mutual proportions. Therefore if we change a product, it has to be reflected in the price, way of distribution, and propagation. [10]

There are 4 main groups of variables known as the 4P:

- Product
- Price
- Place
- Promotion [10]

There are of course many other variations of these variables such as for example adding another 2P – public opinion and political power. For our needs it will be sufficient to focus only on the main four. [10]

4.1 **Product**

In marketing we can consider as a product everything that can be offered on the market in order to create interest, attention, exchange, and usage, and what has the ability to satisfy the wishes and needs of other people. Therefore, we can speak of physical objects and services, but also people, places, organizations, thoughts, cultural creations, and many more.

From the analytical point of view, we can divide products into the following three levels:

1. The core product is not a tangible physical product. You can't touch it. This is because the core product is the benefit of the product that makes it valuable to you. With a car, for example, the benefit is the convenience i.e. the ease at which you can go where you like and when you want to. Another core benefit is speed since you can travel around relatively quickly.
2. The actual product is the tangible physical product. You can get some use out of it. Again with the car, it is the vehicle that you test drive, buy, and then collect.

You can touch it. The actual product is what the average person would think of under the generic banner of product.

3. The augmented product is the non-physical part of the product. It usually consists of a lot of added value for which you may or may not pay a premium. When you buy a car, part of the augmented product would be the warranty, the customer service support offered by the car's manufacturer, and any after-sales service. The augmented product is an important way to tailor the core or actual product to the needs of an individual customer. The features of augmented products can be converted to benefits for individuals. [43]



Fig. 2 Three levels of product

(Source: www.marketingteacher.com)

One of the main tools to build a position on the market is the quality of the product. It is a very complex category, and therefore we have to focus on this category more carefully.

It includes properties of the product such as service life, readiness, reliability, accuracy, functionality, maintenance, material, etc. From the marketing point of view the quality of the product is as good as the customer perceives it. Many institutions can bestow quality certification such as ISO, Czech Made, or Czech quality. For example, quality young Moravian wine is granted the label Svatomartinské by the Moravian fund. This practice follows old traditions of the end of the farming season. [10]

One of the important parts of a product which we shouldn't forget is the brand. The brand is composed of the name, symbol and color, or a combination of them. The

symbol can be missing because the graphical element is considered to be an actual use of a specific font (logotype). The main goal of the brand is the identification of the product or service and differentiation from competition. [10]

4.2 Price

There are several views and angles on price definition, for example from the economic or marketing perspective or from the view of the customer. We will focus mainly on the marketing aspect.

According to Foret, the marketing price represents the sum of money or the amount of products or volume of services that the buyer is willing to provide to seller as consideration for the right to use a certain product or service from the seller. [9]

According to Kotler, price is the only element of the marketing mix which brings profit. The other elements create only costs. [14]

If we focus on the meaning of price in marketing more precisely, we find out that price represents the actual value of the product on the market at a certain moment. Therefore, it is obvious that the price can change over time. On the contrary with for example distribution or other elements of the marketing mix, we can work with the price in a very flexible way. This is the reason why we can consider it as an important and favorable tool of communication with the customer. [10]

The decision process and setting of the price is affected by internal and external factors. The core effect of the internal factors is created mainly by the cost to create the product, distribute it, sell it, and promote it. Usually the minimum price boundary is limited by as low as the price can decrease. Fixed costs do not change with the amount of production and are permanent. These include rent, salaries, taxes, etc. On the contrary, variable costs as are for example material or energy consumption increase with the amount of production. [10]

In in practice we basically use one of the three main approaches to price setting, which we can label as the 3C:

1. The cost function approach is probably the most common, but from the marketing point of view it is completely illogical. The only benefit of this approach is that we are able to easily calculate the amount of costs in

comparison with the calculation of the price. As an example, we can mention the approach as based on every additional charge where we add, for example, 10% to each set of costs to serve as our profit. As was mentioned previously, the calculation is very simple, but the amount of profit share differs. For the products of everyday use, the percentage ratio is set lower. In the case of long-life products (electronics), it is the opposite.

2. The competitors' prices approach is based on a regular market price similar to that which the competition offers. Mainly small start-up companies are ruled by the prices of leading companies.
 3. The customers' demand approach is based on the value set by customers themselves. We can understand this better on an example of a state or organization, when the price is set up front. In practice it is common to accept the price of lucrative client which doesn't even cover the costs. It is considered to be an investment in the future as an effort to improve the company's image.
- [10]

4.3 Place

The strategy of place plays a fundamental role in the marketing mix of a product or service. The place strategy outlines the how and where a company will place its products and services in an attempt to gain market share and consumer purchases. This component of the 4Ps is sometimes referred to as the distribution strategy and may include stores, both physical and online, and any other means by which the company can reach customers. [41]

Although figures vary widely from product to product, roughly a fifth of the cost of a product goes towards getting it to the customer. 'Place' is concerned with various methods of transporting and storing goods, and then making them available to the customer. Getting the right product to the right place at the right time involves the distribution system. The choice of distribution method depends on a variety of circumstances. It will be more convenient for some manufacturers to sell to wholesalers who then sell to retailers, while others will prefer to sell directly to retailers or customers. [36]

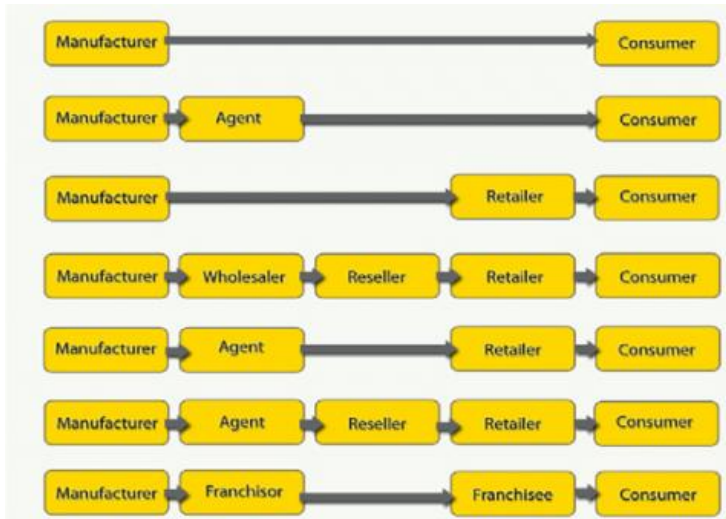


Fig. 3 Main channels of the marketplace

(Source: www.smallbusiness.wa.gov.au)

To determine which distribution method is used, the company must understand the needs of the consumer and determine which avenue provides the best ability to put the product or service in front of the potential buyer. In the figure above we can take a look at the main channels we commonly see in the marketplace. [41]

4.4 Promotion

Sales promotion has a lot of forms. The main aim of sales promotion is to stimulate the consumer to buy a bigger amount of certain services or goods more frequently. Time availability is usually limited. Advertising convinces us about the reason to buy and sales promotion represents a certain motive for making a purchase. [22]

Several different supportive programs belong to this group, for example: exhibitions of products, tasting sessions at the place of purchase, competitions, discounts, advertisement gifts, benefits, samples, coupons, discounted packages, tester products, special guarantee conditions, direct mail, etc. In the background of all of these activities is the effort to motivate customers to purchase the exposed products immediately at the place of promotion. [21]

If the person is exposed to the effect of promotion, the motive for purchase could easily arise. The total concentration of a certain person at the moment of perceiving an advertisement though mass media is usually focused somewhere else, but definitely not towards future purchasing. The main problem is that the advertisement is not at the

center of our attention, but only somewhere in the periphery. In regards to sales promotion, the person is usually concentrated on purchasing (the customer voluntarily entered the shop and wasn't forced by anyone) and is in the phase of making the decision of what to buy. The effect of promotion is therefore more efficient and the sales place gives stimulus to the purchase with optimal timing. According to Horáková, around 70% of decisions to purchase a product of a certain producer are made at a store. This doesn't mean that the customer will buy it immediately, but it means that the initial idea of the necessity to purchase something arises from this situation. [11]

The motivation of the customer is affected by the time estimated for shopping, the amount of money which the customer wants to spend, the behavior of other customers, the state of the mind, etc. Emotions play a huge role in this decision-making process. The consumer can defend himself less in these situations and this is the opportunity for the salesman to take the situation under his control and manipulate with the customer. Manipulation can be done by the appropriate placement of a promoted item, interesting self-presentation, etc. It is important also to keep in mind one precondition: if the customer was already affected by the advertisement of the certain product or service through mass media and if a positive footprint was left in his or her mind in the meaning of mental representation of the certain product or service. [21]

Definitely the biggest benefit of sales promotion is the faster and more intensive response than from other tools used for propagation. The efficiency of this tool nevertheless can be short-lived. Sales promotion effectiveness varies with customer motivation to try a new established product or service. [21]

In the framework of sales support, the customer doesn't have to be the only motivated actor in purchasing, but sales personnel should be motivated as well. For the fulfillment or overlapping of a sales plan, the seller can be rewarded with benefits. Internal plans or a form of competition between single vendors can be instated. In the economic sphere, the motivation of retailers to purchase could be different types of rebate – deployment, quantity, loyalty, and off-season. [14]

5 COMMUNICATION WITH THE CUSTOMER

Communication with the customer can be summarized as a comprehensive set of tools that have one thing in common - their job is to sell products through communication with potential customers. There are many kinds of communication and advertising is one of them and sometimes the most important. [2]

Marketing communication is the key sales tool for complex products and services. While for the sale of bread you need just a few things (to have a distribution channel to the end customer), sales of sophisticated engineering equipment, telecommunications, information systems, or even spa visits, require much more. First, the customer must be notified about such a product which is of course easier when he or she has an interest in the product itself and actively seeks it. Secondly, and perhaps an even more significant challenge, is to arouse the customer's interest in such a product itself and to make him contact the sales department of the company. In order to successfully fulfill both of these steps it is necessary to use the full range of marketing communication tools. [22]

For many companies, marketing communication is the key to success. A well managed and targeted marketing communication strategy combining multiple tools at once can bring a large amount of sales for a small amount of money. Just as in business, it is important to have a strategic approach and carefully consider the various steps while also choosing wisely the time and content of the marketing communication. There is nothing worse than a huge advertising campaign which does not use a mix of marketing tools. For a company, these are just a waste of money, or, other words, dearly invested money to increase brand awareness. [34]

5.1 Advertisement

Advertising is the foot on the gas, the hand on the trigger, and the spur in the flanks that drives our economy ever forward. It is used to strengthen the sales of a product or services which are produced or provided by a certain company. We can reach this goal by several methods:

- Attract new customers which haven't yet used or bought the particular product
- Once again obtain old customers which have stopped using the product
- Gain customers that prefer the competition's products

- Strengthen the loyalty from the side of the customers which are changing their preferences in purchasing goods and they do not favor one more product more than another at the same time
- Increase the consumption of the product by current users [11]

Advertising has a lot of functions, but authors of professional literature are not united in their enumeration. All of them emphasize that advertising can be more than just selling and that its importance overcomes the boundaries of business and market. According to Dominick, 4 basic functions of advertisement in society are defined:

- 1) Commercial – advertisement helps companies sell products or provide services.
- 2) Educational – thanks to advertisement, people find out about new or improved products and services and also about how they can be beneficial for their lives.
- 3) Economical – advertisement enables the involvement of companies in the business chain, this creating a competition environment that encourages the improvement of quality and could lead to a decrease in prices of products and services.
- 4) Social – it helps the manufacturer increase productivity and for consumers to improve living standards or social status. [6]

Horáková, on the other hand, identifies the following three functions of advertising:

- 1) Informational – this function is really important in the beginnings of product subsistence, for example with its introduction onto the market when it is necessary to stimulate a primary demand for the product, or when a new product or service is introduced into an already established market (advertising informs the market about the new product, recommends a new way of using a known product, informs of changes in price, clarifies the use of a product, informs about additional services, and repairs misleading advertising).
- 2) Persuasive – this feature is important in an environment of intense competition. Advertising created the need to make a so-called selective demand, therefore the demand for a particular product manufacturer. Most commercials have this character. We also frequently meet with comparative ads that compare the product of a particular company. This is done either directly or with competitive products to highlight the advantages of the product being advertised against "all other" products available on the market. Sub-functions are to strengthen the

preference of goods of a particular company, try to get the customer away from the competitor, suppress customer concerns related to the use of the product, strengthen the company's image in the mind of the customer, change the company's image itself, and apply pressure towards immediate purchase.

- 3) Reminding – the purpose of advertising with this feature is to remind customers of the product or service they are familiar with and outside the main season of use. Such advertisement serves as a reminder of the desirability of the product in the not too distant future, as a reminder of the layout of the distribution network in which the product can be purchased, to restore customer awareness of the existence of the product in the off-season, and to maintain constant awareness of the product of a particular company. [11]

Toscani, however, sees the function and importance of advertising not only in its impact on the marketability of products, but emphasizes especially its social function. Why should advertising as well as art, as well as a large media not be a philosophical game, but a catalyst of emotion and space for controversy? [27]

The main purpose of advertising is therefore to tell us in an imaginative form that here are some goods from some brand (to develop awareness of the brand), how they differ from similar things in the same category, and why the customer has to buy it. The main desire of the advertisement and its creators is to create a customer in relation to the offered goods or services. Established relationships must then be maintained and strengthened so that consumer not only tries the advertised good or service, but to make sure there won't be any reason for the customer's (new) habit to change – to develop a so-called loyalty to the brand by the customer. [2]

Advertising introduces new products and often reminds us of those already known, but also stresses their innovation, quality improvements, or new visage. This refers to our relationship to the case and thus supports our awareness of it. Schultz considers the main purpose of advertising to be to encourage people to purchase. [23]

For excellent advertising, it is usually considered to be such that it is pertinent to remember whose verbal phrases or elements of imagery continue afterwards continue to appear in popular culture through imitation or parody. This does not mean, however, that such popular and memorable advertising is also the most powerful and most efficient in terms of sales of the advertised goods. [4]

5.1.1 Strategic Goals of Advertisement

Advertising sets its strategic objectives with a different intensity that may range from a mere market of information to motivation to the total control of the customer. This is achieved through various methods and techniques which again differ in intensity. Šiler provides a list of advertising goals and methods of advertisement (listed in the order of increasing intensity):

- Information
- Presentation
- Attraction
- Public relation image, good will
- Motivation
- Awakening of interest
- Inspiration of needs
- Activation
- Affection of individual behavior
- Propagation
- Identification of a customer's goods brand, company, consumer habits, celebrities, ideals, patterns
- Ideology, the influencing of public opinion
- Mass manipulation [26]

5.1.2 Methods and Techniques to Achieve Strategic Goals

According to Šiler, the most used methods and techniques which could help us to achieve the desired goals are the following:

- A rational, logical argument
- Logical reasoning paired with emotional arguments that affect more senses simultaneously
- Provocative action of more senses that evokes fascination
- An effect on emotions that inspires customer trust
- A significant effect on feelings, instincts, and other structures of the unconscious psyche, the use of psychology

- Appealing, authoritative challenges and the use of rhetorical techniques
- The use of hidden psychological mechanisms: appealing to desire, fear, and envy
- The use of rhetorical tricks with the so called reflector method: highlighting lies, the suppression of truth
- The use of knowledge of the structure of thought and language, symbols, and metaphors
- The use of knowledge of behavioral mechanisms (behaviors)
- The use of knowledge of the theory of values – appealing to basic human needs and values
- The use of knowledge of philosophy, social psychology, sociology, political science, and the use of mechanisms such as persuasion and auto-persuasion
- Indoctrination, the use of holy feelings, moral awareness
- Mental programming, the use of drama knowledge and modeling behavior
- The use of knowledge of mass behavior adaptation mechanisms, adaptability, and the herding instinct [26]

From the above listed, it's obvious that advertising can use many powerful weapons and that the boundaries between their use and abuse is very narrow and flexible. Use of the methods varies depending on the type of product, the target audience, the creativity, courage and ferocity of the advertisement creators, and depending especially on local culture. In each country, advertising strategies must be based on local customs, traditions, and practices; also on those of local peculiarities in a given country. American advertising is very intrusive – it aggressively presents the product in a friendly atmosphere with immediate communication and it makes use of the human ability to adapt and copies famous designs. Japanese advertising is unobtrusive, rarely offers the product itself, and is more like a brand that creates an image and emphasizes the credibility of the manufacturer and strengthens the brand's market position. It is characterized by a high level of visual and graphic expression. Chinese advertising prominently uses symbols associated with family life. British advertising is very situational, often working with a story and a denouement, reminding a donut pathway which seeks to understand the audience and continues to advertise a better relationship. Czech ads are rather a collage of music and color. Czech consumer advertising is a bit

shy and is willing to accept only a certain irony. Therefore especially popular ads are funny and imaginative. [26]

5.1.3 Place of Advertisement in Business

A business that considers itself immune to the necessity for advertising sooner or later finds itself immune to business. [23]

As was mentioned above, advertising is seen as part of a broad-based marketing and social-communications market. The very term “advertising” is sometimes replaced by the term “marketing communications”. This is not the same thing, however. Advertising may be an aspect of marketing communication, but it is not the only tool in this area. Marketing is, according to the definition of Schultz which is recognized by the American Marketing Association, characterized as a process of planning and implementing a concept, pricing, promotion and distribution of ideas, goods and services in order to induce shifts to meet the requirements of both individuals and organizations. As a whole, therefore, marketing communication aims to induce a certain effect. Advertising would then be from a purely commercial approach characterized as a sale across distance and time. [23]

Well done advertising increases the demand for the advertised goods or services. In some cases, its mission is to get customers to buy, and in other cases, if it is a complex and expensive good occurring in many varieties, the advertising brings customers to stores where the commercial intentions are further mediated by business employees. [24]

Modern marketing can be considered as a way of managing a business or organization with a dominant market orientation. The common basis of all activities associated with marketing is the exchange of one value for another value of the same character. Marketing is applied in the sphere of business as well as in non-profit organizations and its subject is a product which may be a good, service, idea, country, or even a person or institution. Effective marketing benefits not only the company but also the customer because it helps to find the required product at the appropriate time and place convenient for consumers. The two basic tasks of marketing are satisfying customer needs and achieving advantages over other competitors. Effective marketing therefore develops from customer and competitor analysis. [11]

Advertising is largely the personification of a brand and the merchant and it brings a company closer to consumers. Advertising, as a key technique in image-building, is the main source for the development of a single marketing communication program. Advertising thus forms the image while other forms of communication must or should be supported and developed. [2]

5.1.4 Advertisement as a Source of Information, Entertainment, and Art

From the previous chapters it is clear that advertising has a particular information function. It is a marketing tool that serves to assist the development of trade. In addition to this primary function, however, it can also serve as an important cultural and social tool. Advertising primarily provides or should provide information about the product or service and its functions and features along with its meaning for the consumer. Good advertising is such which attracts our attention and makes us think about the product (you do not necessarily have to buy the advertised product although it would be ideal for advertiser's status). Advertising creators are trying to reach our attention with something unusual; pique our interest in a product with its interesting presentation. Advertising should therefore not be boring, but rather funny, creative, and unique. If advertising is done with care, taste, sense, imagination, and cleverness, then we can talk about a specific kind of art. The ideal promotional product then combines into one whole all three of these components: information, entertainment, and art. [7]

Aesthetic sensibility is subjective but unfolds and evolves in certain cultural and social climates. Sense of wit is also individual as well as the understanding which is subjectively interpreted. Advertising must therefore reckon with these facts. To create a good ad that will appeal to most and does it with wit, moreover, is real art. Such ads are not many, yet from time to time they appear in a number of commercials and praise is rightly spoken. This is advertising whose scope exceeded solely economic goals. Such advertising is a specific type of art which has its fans and collectors. The authors have managed to elevate the advertising area of collector interest, just as the Alfons Mucha poster was elevated at the end of the 19th century as art and a collector's object (until then it had been only a source of information). Could you ask for more from advertisement? [27]

The purposes of advertising are certain business objectives (the sales and promotion of products and services), but the means to achieve them can be cultured and artistic.

Italian photographer Toscani sees advertising as a social phenomenon; as a matter of relating to all people regardless of whether they are buying the advertised product or not. The advertisement should include more than just the type of information. Advertising is intended for the public. It should be street art that decorates our cities and creates their atmosphere. It could become a playful, imaginative, and provocative part of the press. It could be used in all areas of creativity and imagination, documentation and reporting, and irony and provocation. It could inform on all issues, serve great humanitarian purposes, popularize great discoveries, educate the public, and be useful and avant-garde. [27]

5.1.5 Evaluation of Advertising Effectiveness

Advertising is an investment that can bring profit, but it is very difficult to determine exactly how much advertising has “earned” for a company. For at least an approximate determination of return on funds invested in advertising, it is therefore necessary to monitor the following according to the cost of advertising to thousands of targeted customers who come into contact with media:

- The percentage of listeners or viewers who noticed, saw, or read an advertisement
- Customer feedback on content and promotion effectiveness
- Before and after survey opinions on product advertising
- The size of demand-driven advertising
- The cost of demand [15]

Ad Rank is done by the advertising agency prior to the presentation before promotion in media. This pre-testing is a mean of controlling the quality of the upcoming advertising campaign and has the form of measuring the response in the psyche of the customer through a preliminary test print or broadcast ads which measure the physiological responses of consumers and track them the following day after the broadcast advertising. Evaluation of the efficiency of printed or broadcasted ads, so-called ex-post testing, observes the reflection of the advertising revenues from the sale. This evaluation is carried out by an independent specialist firm whose services are bought by the promotion company. [11]

Most researchers whose purpose is to evaluate the effectiveness of advertising deal with the measurement of the communication effect. This means measuring the impact of advertising on factors such as awareness of the brand name, knowledge of the properties of the product, or product preference within a given company.

According to Horáková, the results of numerous studies show that advertising effectiveness increases thanks to:

- Early brand identification - in television and radio advertising, the name of a product, service or business should appear within ten seconds while in the case of a printed ad, the brand or logo should be placed in the lower right-hand corner.
- Duration of advertising - TV commercials tend to be one minute or thirty-seconds (often the term of "art thirty seconds" is used) while long ads, placed mostly in cinemas, last from 90 seconds to two minutes.
- Repetition - efficiency is increased by repeating multiple core communications in one ad or the current presentation of advertising in multiple media.
- A logical connection - the resulting effect of advertising reinforces the logical connection between communicated content and its visual and sound design.
- A surprise factor - new features, a story, puzzle and higher voltage increase attention of the consumer.
- Emotional elements - positive emotions (humor, love, beauty, charm) or negative emotions (fear, pain, shame) are appropriate to apply especially for products which the consumer buys predominantly for reasons other than rational motives. [11]

EFFIE competition, founded in 1968 by the American Marketing Association, proves the importance of evaluating the effectiveness of advertising. The competition has been organized in eleven countries on three continents. Thanks to the Association of Advertising Agencies, the Czech Republic has also been joining this competition since 1997. In the competition, the most effective advertising campaigns that meet the objectives set out in compliance with marketing communications, target groups, communication, media and creative strategies are evaluated along with the proven results of the campaign. [28]

We may not even realize it but advertisements (which are part of sales support) surround us everywhere and at all times. They affect us in our professional and private lives whether we want it or not. Advertisements made by all companies are nowadays simply a part of our lives and we can consider them as one of the most aggressive genres of modern marketing communication. It has become a social phenomenon of the industrial and globalized society. [2]

A lot of people accept advertising as a necessary evil, as something useless, still repetitive, obsessive and pushy. That it is a component of business communication and there is an effort hidden behind it. The effort pushes us to become a consumer of an advertised product or service. We can also look at advertising from another angle: we can perceive advertising also to be really creative, like an interesting medium in regards to the influential means of communication instruments. Unfortunately, at this moment, advertising is mostly characterized as a form of a non-personal promotion which is used on a mass scale to offer and present opinions, products, and services, and is therefore usually paid for by some sponsor. [6]

From the side of economists, advertising is perceived as part of widely conceived, marketing oriented social communication. It has also become a source for the analysis of different sciences from different fields of study, for example psychology, sociology, psychoanalytics, philosophy, esthetics, theories of culture, feminism, etc. [26]

Advertisement has become an integral part of the land of media around us. We can find it everywhere, even in public places such as supermarkets, public transport, etc. Even 3D forms appear in aspects of many things with which we are in daily contact. Probably the shortest definition of advertising is: “advertisement is everything”. Advertising is a tool and a message. It is basically a modern art, way of communication, and applied psychology in a most concentrated form. [26]

The basis for promotional work became a theorem compiled at the end of the 19th century in the USA. It expresses the four basic concepts that articulate the different steps in the process tracing your ad to its recipient. These sequences are indicated by the acronym AIDA, which represents the terms: attention - interest - desire - action. A variant of this model is the less well-known model, ADAM: attention - desire - action - money. This model ascribes the importance of the moment to memory, especially in the phase following the completion of the purchase of the product since it is desirable to

maintain the consumer. On the way from drawing attention to the resulting behavior (memory) of consumers, mass media play a vital role in communicating and conducting the business message of advertisements. [14]

5.2 Personal Sale

Personal sale is a very effective communication tool mainly in a situation when we would like to change preferences, attitudes, stereotypes, and habits of customers. [10]

The biggest advantage of a personal sale in comparison with other instruments of the communication mix is the direct contact between the company and the customer. This also brings other benefits such as immediate feedback, individualized communication, and ultimately greater customer loyalty. Sellers who are in intensive and direct contact with their customers can better understand their wants and needs and their individual expectations and motivations, thus making them able to prepare a personalized offer tailored to the needs of the customer. Direct contact also allows sellers to adjust communication to the needs of every customer and to use such arguments that bring the customer to the right decision. Immediate feedback allows vendors to provide the right communication strategy that can in principle be changed at any time based on the responses and reactions of the customer. [10]

Based on a detailed knowledge of customer needs, the seller should be able to become a trusted consultant for customer problems in a certain area in order to build long-term customer relationships based on mutual trust. The most important task of the merchant is not to sell products, but to gain customer confidence and become the person who the customer contacts first if a problem arises from the area in which the retailer operates. [10]

On the other hand, the use of personal sales in marketing communications are associated with some disadvantages and limitations that should be carefully considered even before a company decides to use this communication tool in its communication strategy. The principal disadvantage of personal selling is the fact that most customers do not like when the trader speaks with any offer. This aversion to personal sale, however, is a problem primarily on B2C markets, while personal sale in B2B markets is still one of the most widely used communication tools and its customers usually do not perceive it negatively. [10]

Another limitation of personal sales is associated with the need to find a sufficient number of qualified dealers who would be able to communicate directly with customers and provide them with appropriate care. Generally, the labor market is always lacking quality employees who satisfy these criteria, so the use of personal selling in practice is limited to the amount of traders that the company is able to acquire, train, and pay. [10]

Due to the individual approach, personal sale is effective in achieving communication goals. On the other hand, individualization and the impossibility of complete control of communication can lead to the unethical behavior of traders who may conceal some important information from customers or even lie and promise conditions and services that the company cannot provide. Such a situation can cause damage to the laboriously constructed image of the company and its brands in the consumers' eyes. [10]

5.3 Public Relations

When somebody says “public relations”, what does it actually mean?

- According to Encyclopedic dictionary it basically expresses the relation of the company to or with public. [41]
- According to a Mexican international statement, public relations are described as an action in the framework of a relationship with public. PR is considered to be an art and social science at the same time. It deals with analysis tendencies, predicts consequences, provides advice on the management of a corporate organization, and introduces planned programs which will serve the interest of organization and public into reality. [41]
- As the last of the large amount of definitions, we could mention public relations as a science of how to affect public opinion with tools of mass media. Public relations include signs of psychology, politics, economy, social movement, and other components. At the same time, public relations stand apart from these components. [41]

Public relations are the science and knowledge about how to understand, create and affect public opinion. The main tools are mass media instruments. Public relations were created as action forces which boost global development by dividing people into many separated groups. Each of these groups seeks to achieve different goals, but all of them have to cooperate to achieve general progress. Specific conditions under which public

relations are applied in practice all over the world are changing according the level of education and cultural awareness of populations. Their function depends on a structure and affectivity of media, on the availability of information media, and on a number of other factors. [18]

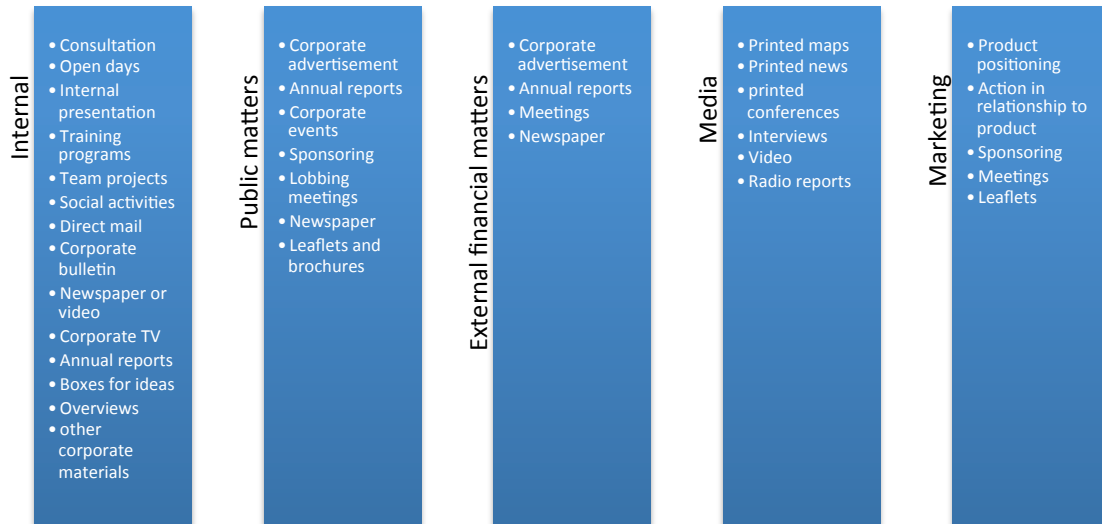


Fig. 4 Tools and channels of PR

(Source: Author based on data from Geuens, Bergh, Pelsmacker 2003)

Public relations are divided into several main areas:

- Business-to-business
- Corporate
- Consumption and product
- Relations to local authorities
- Crisis communication
- Directed communication about changes
- Relations to employees
- Ecology and the living environment
- Internal communication
- External affairs
- Politics and lobbying
- Investment relations
- Health care and pharmacies
- Free time

- PR in retail
- Professional services
- PR in international affairs
- PR in technologies and the Internet
- PR in the noncommercial sphere or charity [41]

5.3.1 Sponsoring

Sponsoring is targeted commercial communication which, in the minds of customers, combines the brand or product with a third party. The brand thus joins associations with a sponsored event, man, show, object, or medium. These associations are then, for a fee, transferred to the brand as such. [18]

Sponsorship is different from advertising in the way it works. While advertising has ambitions to get the recipient of the message to change his or her behavior to an action (call-to-action), sponsoring "only" connects the brand with the values of the sponsored entity. [18]

The context is therefore essential. Sponsors of Formula 1 proclaim their uniqueness, for example. Food manufacturers are connected with cooking shows. The brand Nike (the name comes from the Greek goddess of victory, Nike) connects with winners in various disciplines. The sponsor of The Texas Chainsaw Massacre (a horror movie) was a brand associated with tools – Husqvarna. [44]

The sponsor therefore gets something in return which is not to be confused with charity. Many things can be sponsored: sports teams, athletes, celebrities, TV shows, concerts, movies, theater showings, resorts, sports, websites, projects, schools, and many more. [18]

The aim of sponsorship in the context of marketing communications is primarily to build awareness and brand image. Sponsorship helps to promote a good name and image of the company, not only in the selected target groups, but also to the general public. It is pertinent not to forget the relationship formed between the company and its employees. [18]

Although sponsorship is an independent marketing activity, it shares the company's advertising goals. Unlike direct advertising, sponsorship does not focus on a specific

product, but rather on building positive awareness. Also unlike advertising, sponsorship is harder to accurately assess and its effect comes after a long time. [10]

5.4 Direct Marketing

Into direct marketing we can, for example, include direct emails, telemarketing, purchasing through computers, catalogue sales, and TV and radio or printed marketing with direct responses. For direct marketing, it is important to have complex databases with customer information (including their personal information, records of previous purchases with the usage of magnetic cards, the reaction to sent offers or even to promotion activities). Here, we are talking about database marketing. The attitude in regards to this is key mainly to obtaining and maintaining a long-term relationship and mutual communication with the customer. [10]

Quality, precision, and having up-to-date databases are often the biggest problem in direct marketing practice. It is common to get the same offer from the same institution even multiple times. This definitely doesn't show the company in a good light. It doesn't always have to be a mistake from the side of the organization as these mistakes can also be caused by mediation agencies. [10]

Advantages of direct marketing include:

- Targeting a segmented meaningful market
- The effectiveness of targeted and mutual communication which enables us to create a more personal relationship with the customer
- The possibility of a controllable and measurable reaction to an offer
- Long-term exploitation – direct marketing can become a useful source of information [10]

Marketing can be direct and indirect. It is obvious that we could send our message more precisely in the first case – to a concrete addressee. Indirect marketing includes, for example, catalogues, leaflets, and printed materials delivered for free into post boxes or handed out in frequented streets. [10]

Marketing materials are also a very important part of marketing communications. These are de facto all printed and electronic materials that relate to a company and its products. Nowadays these materials can be found mainly on websites and in e-shops.

Printed or electronic materials collectively describe products. Other materials are company magazines, printed summary presentation materials, (e.g. catalogs, educational materials, etc.). The task of these marketing materials is to promote the sale of products and to strengthen the readers' interest in them. Unlike advertising, however, marketing materials should be credible, serious, and objective. However, we definitely should not miss something that might be called a "positive twist". This can be achieved by using so-called bias words which can be translated as emotionally charged words or also general words that do not carry actual information. An example is the difference if you are buying a product that uses a newly developed technology, or which uses unique technology. The relationship and trust that the reader builds while reading the text regarding the product directly depends on the proper use of words and on the overall tone of the marketing material. The important thing is not to overdo self-praise, to prevent possible answers, and to gently point out the apparent negatives. [34]

5.5 Digital Marketing Communication

Digital marketing is a broad discipline bringing together all forms of marketing that operate through electronic devices – online, on mobile, on-screen, etc. Over the years, digital marketing has developed enormously and it continues to do so. [40]

The use of digital (also called electronic) marketing communication enables for the operative, according to the actual situation, changing of prices of our products and services. Also, we can immediately forward the news to potential customers. This is a way of spreading and globalizing the market because all the customers from all over the world are able to purchase anything they want in the blink of an eye from any place and at any time. Merchants, on the other hand, gain easy and operative access to the supply of the competition. [10]

Digital communication, mainly through computers, brings new possibilities for big but also for small companies. Firstly, it decreases the costs of sale and promotion. It also increases the speed of communication possibilities mainly in the form of a mutual connection that leads to the creation of permanent relationships between the seller and customer. [10]

Other advantages include the immediate quantification of results. The Internet remains a means of digital communication with great perspectives. It has already existed for half a century Today it offers:

- Fast and cheap communication through electronic post (email)
- Access to the newest information from a lot fields of human activity including media from all over the world
- The presentation of institutions and their products
- The ability to search for new customers to quickly and flexibly communicate with them [10]

Electronic contact information has become a necessity these days. Almost every firm has an electronic address (email), its own website, and other forms or enabling digital communication with the customer.

PRACTICAL PART

6 GENERAL INFORMATION ABOUT KORYNA COMPANY

Name of the subject:	Koryna a.s.
Registered office:	Kopečná 940/14, Staré Brno, 602 00 Brno
Legal form:	joint stock company
Activity of the firm:	production, trade and services not specified in Annexes 1 to 3 of the carpentry Trade Act, flooring
DIČ:	CZ 26309165
Established:	8th January 2003
Organizational structure:	The company realizes production of furniture mostly in the Czech Republic and is controlled from an office situated in Brno.

Valid excerpt from Register is given in Annex No. 1.

6.1 Brief Description

The Koryna Inc. Company was founded in 2008, but has a long history behind it. From a financial analysis point of view, it is quite a young subject which has been operating on the market for almost seven years. The company's only board member and the most important person is JUDr. Petr Holub. However, 100% of the firm's shares belong to Ing. Olga Holubová. All projects are managed from the office in Brno, but the most important factor is work carried out in the plant in Koryčany, where the former headquarters of the company used to be. The company provides all kinds of furniture products. I would like to point out the most important aspects in which the company specializes:

- Bended furniture
- Interior and exterior furniture
- Kitchen furniture
- Custom-made furniture

6.2 History of the Company

The history of the factory begins in Koryčany in 1856, when a German businessman, Michael Thonet, built a plant for the production of bentwood furniture which was the first of its kind in Europe.

Already in 1857, the factory was producing products of bent beech wood with a main focus on seating furniture.



Fig. 5,6,7 Photos from the beginnings of manufacturing
(Source: www.koryna.cz)

In 1926, the "joint stock company THONET-MUNDUS" was established and based in Zurich.

Later, the company moved to Prague. The company name was changed to "THONET MUNDUS, Czechoslovak factory for bent wood furniture, a joint stock company".

In 1946, "National THONET" was established with headquarters in Prague and was afterwards incorporated into the new venture of "United UP factories, the central headquarters Brno."

In 1953, Koryčany became an independent company with a corporate head office. It continues to run operations in Halenkov, Great Karlovice, Uherský Brod, and Rohatec.

In early 1958, the Koryčany Company was incorporated under a new company: "UP factories Bučovice". This company became one of 6 factories without any other premises. The Koryčany plant remained in connection to this until 1990.

In 1990, the company became independent and established a new brand called "KORYNA sp" (KORYčanský NÁbytek). In 1993, the factory was privatized and henceforth has been called "KORYNA ltd."

In 1997, KORYNA ltd. transformed into “KORYNA furniture Inc.” with a capital share of 850 million CZK.

At the end of 2011, the company was purchased by leading manufacturer of bentwood furniture: L. A. Bernkop 1883 Inc.

Currently the company is one of the leading manufacturers of kitchen furniture in the Czech Republic.

6.3 Situation of the Company Nowadays

Like a lot of firms, Koryna Company had a difficult task: to face the consequences of the economic crises. The crises struck with full force in 2010 when the company's profit suddenly fell from 7,5 million CZK to generating a loss of CZK 76 million CZK.

There wasn't any way out other than to sell the company to a new investor who would be willing to put money into the company and bust up profit again. Therefore, in 2011, an auction was stated and the winning candidate was the company L. A. Bernkop. For the locals, this meant hope again; hope that they wouldn't lose their jobs because this company was the biggest job provider and source of salaries for the households in the small city of Koryčany. Nevertheless, a plan to save Koryna existed and after a short while the new owner decided for the company to declare bankruptcy again. The reason was simple: Koryna Company owed almost 227 million CZK to creditors and the new owner turned down the plan to restructure the company under their conditions. The citizens of Koryčany appeared to be living in uncertainty again no solution existed for them because there weren't jobs in the city for the 140 former employees of Koryna.

During the second auction, something unique happened. Koryna Company was bought once more by the previous owner, L. A. Bernkop. However, this time the conditions were different. Koryna Company was sold with just a part of its former grounds; those that were probably the most important – the production hall. On the other hand, under these new conditions, Koryna was sold for 13,9 million CZK but without any debts. This was one of the key steps for the future development of Koryna Company. Because the company no longer had to turn back heed their creditors, it could move forward to use the sources which were left and “start the engine with a quick spark”. Since then the company has started to get up on its feet again and today it permanently employs almost 150 people.

7 IDENTITY, CULTURE AND IMAGE OF KORYNA COMPANY

The identity of Koryna Company arises from its internal structure, establishment, values, vision, mission, and goals. Even though the management of the company has changed over the last years, the vision has remained the same – to provide Czech quality to customers all over the world. The mission of the company also has not changed. The main mission in the past was to take care of the employees and to provide them with a stable foundation. Therefore, the city Koryčany will prosper with them.

In summary, Koryna Company has always been perceived as a guarantor of a stable working environment for its employees and as a quality kitchen furniture producer not only in the Czech Republic, but also in foreign countries as well.

From the view of originality, Koryna was the first to use the combination of a red background with white letters for its logo. However, in 1992, a company (Sykora) was established for exactly the same purpose (kitchen furniture), and they also decided to use the same color combination. In terms of competition, this was a very smart move and shortly after Sykora became a very desirable brand because they had stolen a part of the already established identity and originality from Koryna.

Today, Sykora has become even bigger and more profitable than Koryna. Nevertheless, Koryna Company is still perceived as a company with historical importance and its own originality in the eyes of the public.

A very important part of corporate identity is the integrity of employees with a company. Most of the production workers in the Koryčany plant come from the same city and therefore they have a higher commitment to company because they realize that the success of the company depends on their performance, and that their well-being depends on the prosperity of the company. There are no other big employers in the city and the employees are aware of the consequences in the case that the factory would be closed. They realized mainly in 2011, when the company was on the edge of bankruptcy, how dependent they are on Koryna Company. On the other hand, the company has always been taking care of its employees and paying their salaries regularly even in the worst times. Nevertheless, the problems the company faced affected this excellent aspect of identity and the total number of interested job candidates has decreased over the years.

Even due to the unpleasant situation of the last few years, Koryna Company is still applying the same old principles in regards to corporate culture. Corporate culture is basically built on the grounds of corporate identity. The difference is only in that the corporate culture projects internal values to the external view of the functioning of the company. In some companies, it is possible that a company on first sight appears to be supportive and have benefits for its employees, but in reality they have to obey according to strict rules and are treated just as another cost of the final product.

This isn't the case in Koryna Company. The best example of their corporate culture is the training of students in a nearby high school with which the company cooperates in the form of tutoring possible future workers. Koryna Company therefore takes care of potential future employees almost from the beginning of high school. After their successful graduation, the most capable of them are offered places in the company to start their professional lives. Thus Koryna Company is basically raising their own future experts in furniture production. The culture of the company sets the quality of their labor force as a standard that they haven't given up even in the toughest of times. This quality of labor does not stop in regards to encompassing just production workers, but includes all ranks of hierarchy including top management. Business representatives have to be able to speak at least two foreign languages and these are only the basics which must be fulfilled in order to provide the most quality care to customers.

Basically, we could summarize Koryna Company's culture in the following sentence: "If you want to produce a quality product, you have to employ quality labor".

The image of the company was presented a bit during the introduction of the corporate identity and culture. The image of the company began in the 19th century when the company was established. One of the key aspects that influence acquaintances of the company and its seriousness and professionalism is its long tradition.

We also have to focus on the other aspect of image – product image. The features of this in Koryna include for example reliability, quality, and attractiveness of the product, all of which a customer can easily assign to a certain producer.

7.1 Suggested Improvements for the Image of Koryna Company

First of all I would like to mention that the image of the company was hurt in the last few years due to financial problems, and there is no direct way to improve it

immediately. Image is directly related with corporate identity and corporate culture. Therefore, if we want to do something with the image of a product (brand), we have to start with improving the first two aspects.

To improve corporate identity, it is necessary for Koryna Company to start with their employees. There are several ways how to achieve a positive result. The most common include the establishment of corporate media (printed reports and/or a corporate newspaper but also radio broadcasts and video presentations) as well as training programs, meetings, and competitions. Mainly a uniform visual style (buildings, flags, inside space, vehicles, uniforms, letters, business cards, etc.) should be used.

Koryna Company could of course use all of these tools, but the most important will be the training of employees and a uniform visual style. Koryna Company is already taking good care of its future employees in the form of training students, but it has forgotten to pay attention to and provide professional training to production masters. The production master is basically the heart of the production process. Hence, if their skills were to be improved, the whole production of Koryna Company will improve also.

There is a lot to reform in the case of the unification of visual style. For example, the flags around the factory with the Koryna sign are different than the logo on company vehicles. Production workers go to the factory every day in their own dungarees. There are many other details which have to be improved (such as the use of regular pens in work instead of those with a corporate logo), but it isn't necessary to list them all here. The main point is a necessity of unification which has to be synchronized among all areas and sectors of Koryna Company.

In principle, visual unification and identity has to correspond to the actions of Koryna Company and its culture. If all of these components will be integrated with the support of marketing and corporate communication, it will eventually bring the desired improvement of the image in the eyes of the public.

8 MARKETING MIX OF KORYNA COMPANY

8.1 Product Portfolio

Throughout the company's long history, the product portfolio of Koryna has been slightly changing, but one article has always remained among priorities: the kitchen furniture of Koryna Company is the main reason why people are aware of the firm. However, as the market is changing and competition is increasing, it is no longer possible to focus all of the company's energy solely into one product. The company, which wants to be successful, has to offer a more complex variety of products. Therefore, with the exception of the main product, on the homepage of Koryna we can also find a direct folder to closets, bathroom furniture, and furniture for the living room. Therefore, the client can have more complex care about the equipment inside his or her property.

Koryna Company also specializes in the production of custom furniture. From here it is only a small step towards realizing that the firm could offer non-standard furniture (e.g. medical furniture) to their customers and therefore attract a completely new segment of customers. A trend of private doctors in the past years has been that their offices logically need to be equipped with high quality and well-designed furniture to create an image of a high-standards environment with exclusivity for their potential clients.

We could basically summarize the products of Koryna Company into one furniture division. However, this main furniture division has several sub-divisions. The main product for which the company is the most known for is kitchen furniture.

Kitchen furniture

Koryna's kitchen furniture is divided into three main categories:

- Modern kitchen furniture – here we can find 15 designed kitchens which are characterized by their fresh and young look. This category will be attractive mainly for younger couples which will appreciate the features of the original and modern design of the product.
- Classic kitchen furniture – these are 10 kitchen sets which look a little bit “old-school” and target more conservative customers. The main advantage of this category is definitely the price which is the most attractive of all of the

categories. This category is made mainly for older customers who are not amazed by extravagant designs and are mainly about tradition.

- Stylish kitchen furniture – here we can find 8 kitchen sets which are made mainly in the spirit of a futuristic design. This category will be appreciated mainly by customers that are willing to pay extra for exclusiveness.

Each category is of course equipped with electrical appliances from famous brands such as AEG, Zanussi, Fagor, Whirpool, Siemens, etc. It is also important to point out that even in total the company offers 33 kitchen sets and it is possible to manufacture almost each one of them in different colors. In some cases, more than 20 alternative colors are offered in regards to a single furniture set.

Wardrobes

Between the wardrobe products we can find 4 designs which are again possible to create in any color we would like. All of the colors which are also presented in the case of kitchen furniture can also be done in regards to wardrobes, so the color composition can be coordinated between the products.

Living room furniture

4 types of living room designs are directly related with the wardrobes. Again, the same features such as optional color are applicable.

Bathrooms

Here we can find two varieties of execution – lacquered and laminated. Only the first one has the option to choose color while the second is made in a neutral color combination in order to be suitable for as many customers as possible. We have to admit that most houses have the bathroom equipped separately from the rest of house because to produce bathroom furniture it is necessary to use different production technologies than the in case of regular furniture. Furniture in the bathroom has to be more resistant against water and higher temperatures.

Custom production

In regards to custom production I would like to mention two main products which are basically very different from each other but are mentioned in the same category due to their similar nature of being a custom-made product:

- Custom-made furniture is offered to those customers who are not satisfied with the company's current offer or who would like to have furniture made specially for the size of their apartment.
- Medical furniture belongs in this category because each doctor or medical center which is interested in this product always wants a different type for a different area of expertise. Of course there are a few basic components, but each private office in health care needs special treatment. Therefore, all medical sets have to be custom-made as well.

8.1.1 Improvements for the Product Portfolio

Firstly I would like to point out that Koryna is mainly a kitchen furniture company and therefore all the other products were added additionally and the product portfolio is made accordingly with a focus on the kitchen.

The first and second recommendations are made to improve the complexity of Koryna products. If a customer will be satisfied with the kitchen furniture and would like to purchase furniture for the rest of the rooms in their house, there should be an offer made accordingly. So far, there is only the possibility to equip the living room and bathroom, but there is no mention about the bedroom. Therefore, it would be useful to add this category among the already existing portfolios in order to make an offer more complex so that the customer won't have to solve each bedroom individually by custom-made furniture which is of course more expensive.

The same goes for the second recommendation, which is an extension of the category of children's furniture. So far from the current portfolio it is obvious that the company is targeting mainly adults, but a lot of the potential customers are also families with children. Koryna Company shouldn't forget about their potential customers and should offer adequate solutions also to them.

If both of the recommendations will be applied to the portfolio, the range of products will become more complex and it will be possible to equip all of the rooms in a house or flat (depending on the type of household). It will also be easier for customers which don't have a lot of time and would appreciate if they could purchase all of the products for their house from one place and not to go to a different shop for each room.

8.2 Price

The price of Koryna products is set higher in appropriation to the high quality of the furniture but at the same time within the range of the direct competitor. In this way, Koryna Company is already communicating with the customer. The customers that will choose Koryna products should therefore be aware of the exclusivity of this firm. In the case that someone is not satisfied with a price, he/she can always just visit a different producer aimed at another segment, for example IKEA, JYSK, MÖBELIX, XXXLUTZ, etc. However, these customers are not the target group of Koryna Company.



Fig. 8,9 Kitchen furniture page of the Siko website vs. Koryna's website

(Source: www.siko.cz, www.koryna.cz)

Siko Company's website was chosen for comparison. At first glance, this company also presents itself as a professional in kitchen furniture with great product design. However, after taking a more detailed look at the whole situation, we can see that something isn't right. Meanwhile, the website of Koryna Company (figure 9), shows a clean and understandable message – a custom, exclusive and quality product which corresponds with its price. On the website (figure 8) of the competitor we can see a variety of marketing attractions such as immediate price and the offer of getting a free appliance. This appears to be like something cheap, easy, and definitely not of high quality.

The most visible difference in price is that it is immediately on the front page in the case of the Siko website. Siko's price communication is made clear: our prices are our greatest benefit. However, from this kind of message every customer will afterwards realize that if the price is so beneficial, money has to be saved elsewhere, and the most

logical answer will appear in the form that the money is saved at the expense of quality. On the other hand, only one page from the entire Koryna website mentions price (and it's only in the section on the sale of products which the company would like to get rid of at a discount which is here more than 70%). Therefore, Koryna Company is communicating with the customer by sending the message that they are not willing to reduce quality of the product at the expense of price reduction. They will stay loyal to their culture and tradition which emphasizes quality in the first place.

8.2.1 Suggested Improvements for Price

As a customer we can understand the intentions of Koryna Company in their price communication. One could say that this attitude will discourage some customers because they won't be attracted so much by not knowing the price of the product immediately. To these I would like to respond by saying that Koryna Company is targeting a certain group of people which are aware of the prices on the market and these people are aware about the fact that you have to pay extra if you would like to purchase a quality product. In fact, this will help Koryna Company discourage unwanted clients which will just be wasting the time of Koryna's business representatives. It's like when you know that you don't have enough money to purchase a luxury car and you don't go to that shop to ask exactly how much such a car costs. Therefore, in the case of price improvements for Koryna, there aren't any major gaps. The position on the market is clearly stated and if the management of the company will start moving with the price rapidly, some unexpected outcomes can arise.

As for price comparison with key competitors, there is only one thing which can be brought up. The price of the product is mostly derived from the costs of production and logistics plus a certain margin. This attitude is the easiest one and actually works on the Czech market, but Koryna Company should focus more on the competition set prices accordingly with the foreign markets. For example, in the Russian market, Koryna Company is slowing but constantly losing market share due to cheaper designed products from Italy and Germany which react flexibly to the actual bad economic situation in the country. The company should lower the level of prices to be able to maintain its position on the market for a short period (during the crisis) to still be accessible by their customers even it means to lose some amount of profit for that certain period.

8.3 Place

From figure 10 it is obvious that Koryna Company has the intention to be perceived as an internationally available company. At this moment, Koryna company has its three own studios in the Czech republic (Prague, Brno, Beroun), and the rest of the selling spots are covered by authorized dealers all over the country (17 dealers) and also by 5 in Slovakia. All the other spots in the Czech Republic and all over eastern Europe are covered mainly by contractual stores. The difference between the dealer and contractor is that at the dealer shop you can already see assembled kitchen sets and other products of the company and in shop of the contractor you might see these products as well, but usually you can only find catalogues from which a customer can order the chosen product (these are usually firms focused on complex furniture solutions).

Before the crisis there used to be many more studios and dealers, but due to savings and the transformation process, a lot of them had to be cancelled.

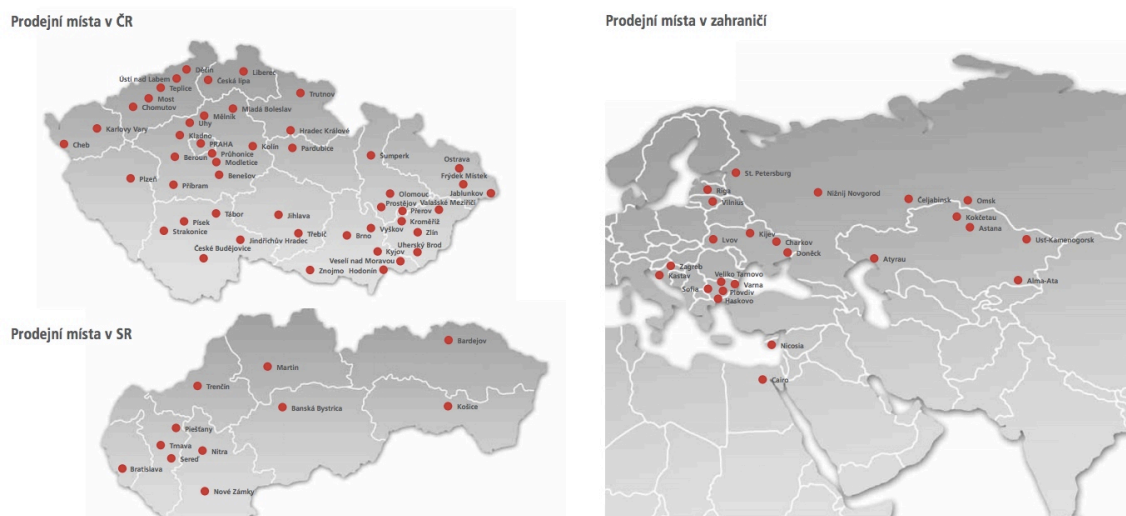


Fig. 10 Places, where you can purchase Koryna products

(Source: www.koryna.cz)

In the beginning of 2014, the company's management was negotiating conditions for establishing its own studio in Moscow in Russia, but this plan was postponed to future years mainly due to the political situation and later the huge degradation of Russia's currency.

The new goal for 2015 is the establishment of authorized dealers in China. This plan is of course more than courageous, but the management of the company has already has

taken several trips to China and the first exposition of the Koryna company will be revealed in the shop of an authorized dealer in Beijing in the beginning of 2015. Depending the initial success of this shop, other expositions will or will not be presented in others.

8.3.1 A Suggested Idea for a Different Market

Koryna Company has of course courageous plans in regards to entering the Chinese market, but according to my opinion it would be better to slow down a little bit and focus instead on more realistic goals such as firstly the Turkish market.

Koryna Company already has contacts in several Bulgarian cities (Plovdiv, Varna and Chaskovo) which are very close to the border with Turkey, and more importantly close to Istanbul. Istanbul is still considered to be the gateway to the Asian market, and to be more precise this city actually lies with one part in Europe and the other in Asia. Moreover, this city is rich enough to accept Koryna's product portfolio and is more than open to quality products from Europe. The place is therefore more suitable. Other benefits include the adaptation of the product which will be more easy in Turkey than in the case of the Chinese market. Also, marketing communication in the Chinese market would definitely be harder to handle than in the case of the Turkish market due to China's completely different mentality.

As an Erasmus student, the author of this thesis spent one semester studying in Istanbul and can confirm that even though Turkey is a Muslim country, there is huge difference between Istanbul and the rest of the country. In Istanbul people are more open minded to the western cultures and western companies. They are mainly about the business, they don't care where you come from, or what religion you adhere to as long as you can offer them an interesting business opportunity.

Still, before entering any new market, Koryna must firstly carry out adequate marketing research and afterwards create a marketing plan based on that. From the current point Koryna is taking a huge risk because even if the management of the company has undertaken several trips to Beijing, this is still not enough to eliminate threats.

On the other hand, we could at least notice that the new aggressive attitude of the company is continuing in line with the vision of the company to be available and known all over the world as a furniture producer.

8.4 Promotion

Promotion is probably the most important part of a marketing mix. Without promotion a company practically wouldn't survive these days. The main goal of promotion is to increase product sales but at the same time increasing promotion also contributes to growing awareness about the brand itself.

Usually promotion is divided into 8 categories: business, production, health, political, sport, culture, ecological, and social. The author would like to narrow this list down and create own subcategories suited mostly to the description of the Koryna Company.

The first is Internet promotion because today it is the most used medium of promotion with probably the highest influence on the customer. Koryna Company is promoting its products via several ways on the Internet. The first and most basic is web promotion.

Every company nowadays has its own website and this is basically the face of the company and the first business handshake with a potential customer. Koryna's website was made by a professional team from the DESIQN company and the result is more than good. The website is one of the key features of web promotion and savings shouldn't be done in this direction. Even if this project wasn't cheap, the outcome is a clean, intuitive, modern and customer friendly website (we can see the front page in *Picture No. 9*). The main template, with the usage of red and white color, is in conformity with the logo of Koryna which uses the same color combination. Other Internet promotion instruments include Facebook and Google +. Unfortunately, the traffic and overall expression portrayed by of these pages do not perform well. It would be better to create one main scheme, according to the website for example, and apply it in the same way to all company accounts on the Internet thusly ensuring visual conformity. Also, Koryna Company is lacking in presence on a professional website globally rising in popularity – LinkedIn.

PR articles can be listed as the second tool of promotion techniques. In the past, the company was focused mainly on press releases, but the new management made the decision not to participate so much in this activity. The main reason was that there wasn't a person directly responsible for marketing and public relations. This point definitely has to be changed as is further noted in suggested improvements.

The new promotion campaign the Koryna Company started through mutual cooperation with the Czech daily magazine. The magazine gained in the amount of its followers by offering different prices to their subscribers. The prices are usually tied to some of Koryna's products. From this partnership, Koryna gains free advertisement in an independent journal which increases the firm's revenue. The products, which are usually offered as a prize from the Koryna company, are custom-made furniture pieces which had already been made for a Koryna customer, but the deal fell through after completion of the furniture. In this way, Koryna Company can save money because it is actually offering products which would be sold anyway (or sold with a discount of up to 70%).

One of the last promotion activities of the company is through sport promotion. Koryna Company is participating in support of the Czech fighter, Tomas Hron, who is the European heavyweight champion in K1. Thanks to this support, Koryna can post its promo materials on the official page of Mr. Hron and to the website of his club where he trains. Also, as one of the benefits, Koryna can put up banners during the matches in Brno. The targeted audience is more than clear. It isn't young fans who usually don't have enough resources for purchasing the products, but the promoters, managers, VIP visitors, etc. Mainly when Tomas is fighting in international matches which are broadcast on TV, it increases awareness of the brand not only in the Czech Republic, but also around Europe. The sponsorship is made mainly through financial support some of which it is possible to deduct from company taxes, and therefore Koryna is again investing but in such a way which doesn't cost the company almost anything.

Sponsorship of the local football team belongs among other sport promotion activities. In a small city like Koryčany, having this kind of sponsor is considered to be almost impossible. Local people are aware of how the company is helping with health development of children in surrounding areas and this attitude of the company helps to increase their good will in the eyes of the public and at the same time to improve their image.

This sport promotion and partnership is a commonly known marketing tool. There almost isn't any team on a professional level doing any sport without a sponsor on its kit, and this trend isn't going to change in the future. On the contrary, this cooperation

and symbiosis should become more coherent to attract the most benefits for both attending parties.

There are several more one day promo campaigns, which serve mainly as team-building events for employees of the factory, but are also open to people from Koryčany. Basically a lot of locals are considered to be former employees or possible future employees, and therefore these promotion events are considered to be social events in the city like a ball with a raffle and of course again prizes from Koryna Company.

8.4.1 Suggested Improvements for Better Promotion

According to Pavel Kasik (the author of a study concerning a number of social network users, Google + is used in the first place with regards to absolute numbers with 2 billion users around the world. At first glance, this is an incredibly high number, but as he mentions the real question is the amount of active daily users that are active. The thing is that when somebody creates an email account on the Google website, he or she automatically gets access to their social network, but only 1 out of 10 people actively use their Google + account in addition to their email. On the other hand, Facebook, with a total amount of almost 1.5 billion users, has 2 out of 3 users as active. This is the reason why Facebook is considered to be the most widespread network in the world. Koryna Company uses both of these pages actively in communicating with their customers.

There is one more upcoming page, which will help the company with its promotion. As was mentioned above it is LinkedIn. This website is made directly to share professional experiences and companies' profiles. Therefore, it would be the correct step to also start using this tool for the promotion of the company. With increased awareness of the Koryna brand, the company may also achieve side effect benefits, which are for example the increased attraction of possible employees. Also, it will be better for current employees so they will be able to gather their professional experiences into one place on the Internet and therefore to improve their identity in the company.

Other lets say low cost improvements include the creation of a YouTube channel. A lot of companies around the world are using this tool for promotion by uploading videos from events and promo activities to improve public awareness of their companyies.

The last major change which has to be done concerning web communication is the necessity to convert the website of Koryna into at least two other languages – Russian and English. These two languages are the most important for the company, first because the English language is considered to be the standard for international companies today and secondly, if the company wants to communicate more effectively with the eastern European market, then Russian is the logical and most needed step.

Another suggested improvement concerns the sponsoring of sport activities. It is correct of the company to support a local football club, even it doesn't bring any national recognition. Its purpose is to improve good will and the image of the company for local people and also it is a way to show to the public that the company cares about young people and their healthy development. However, the combination of a furniture company and a K1 fighter isn't the luckiest one, needless to say is completely wrong. Koryna Company has to reevaluate this partnership and probably invest money instead into some other field. For example, they could find a representative from a cooking show and offer cooperation to him or her. Of course this cooperation wouldn't be cheap for Koryna Company, but on the other hand sponsorship of the European champion in K1 isn't cheap either.

There are a lot of possibilities as to how to set up cooperation with a famous cook. For example, starting with the logo of the Koryna Company in his cooking book as his partner, using his apron and other clothing in his show with the logo of the company on it, preparing a set of photographs with the cook on a webpage of Koryna Company, etc. The last example will definitely be more useful than for example photos of celebrities which are used on the website of the company.

9 COMMUNICATION OF KORYNA COMPANY WITH THE CUSTOMER

Mentioned above were several ways to improve communication of Koryna Company, but in order to make this communication more effective, we should also focus on several surrounding details. For this purpose, the improvements will be suggested in a more straightforward manner and introduced immediately at the end of each chapter to correspond better with the current situation of Koryna Company.

9.1 Advertisement of Koryna Company

Probably the most vulnerable part of Koryna Company's last years. Due to massive savings of the last years, the firm had decided to cancel all of its advertisement campaigns (billboards, leaflets, internet ads, etc.). The only advertisements observed in the last three years were negative articles in newspapers and internet articles mentioning the instability of the company, as well as its bankruptcy. Koryna Company simply forgot that no matter how wonderful a company's product or service is, nobody will know about it without advertisement.

Basically, the company is right back where it started again and has to start support its marketing communication with advertisement activities. For now, the only advertisement the company has consists of a few pages mentioning their products in catalogs based on furniture. We could also mention a few other activities here, which are connected with advertisement, but those are already pointed out in the chapter that focuses on promotion.

The company has to set up a new advertising campaign, which will help improve the communication of Koryna Company. First, we have to realize that an advertising campaign is basically a coordinated series of linked advertisements with a single idea or theme, and therefore, it isn't simply one single activity that the company will support. An important fact is that the more complex an advertisement is, the better will be the outcome of it.

Koryna Company should start an advertising campaign through several media channels. It may focus on a common theme or on a brand, or be directed at a particular segment of

the population. Successful advertising campaigns achieve far more than sporadic advertising, and may last from a few weeks to several months.

An advertising campaign should be geared toward the niche market. It is a common mistake to create generic ads that do not speak the language or grab the attention of your potential customers. Koryna Company already knows what kind of customers it wants to attract, and therefore, the company has to make sure that ads speak to the people on a personal level. The main market where Koryna Company is active is in the Czech Republic, so it would undoubtedly be beneficial to first focus mainly on this market and upon its success, to afterwards spread to other countries.

One of the keys to advertising is to accentuate the pros of your company - the factors that give you your competitive edge. In the case of Koryna, it is without a doubt quality and tradition, and therefore, the campaign should be focusing mainly on these two factors.

There are several ways, as was mentioned above, to approach the main advertising possibilities, but first, the company has to begin with the most widespread ones between the common public and the internet. Other than free promotional support, Koryna Company has to also focus on prepaid internet advertisement. However, the company should avoid doing so to the extent of paying huge amounts of money to be plastered all over the internet, and should rather narrowly address its targeted segment. For this reason, it would be wise to use an up and coming tool which is available to us in the present day– the semantic web.

Semantic web advertisement targets only certain groups of people. Most people today usually first turn to the internet as a tool to do research about a desired product. Their browser is afterwards used in an intelligent way and offers only advertisements about products that the specific user showed previous interest in. The company is not paying for the actual banner, which pops up on the screen, but rather for the clicks made on that banner.

It is far too expensive to advertise a product on TV, and according to the profit and loss statement from the last two years, this is a service Koryna Company can't afford at the moment. Therefore, we could proceed to a second medium, the radio, which is popular among targeted audiences.

Advertisement of products in the local radio and mainly in those cities, where the company has its own studios, would surely be beneficial. Targeted customers usually have a car that they use to get to work. Therefore, it wouldn't be necessary to pay for advertisements on the radio to play throughout the whole day, but rather only in morning hours and before the evening. Not only will the car owners hear these ads, but also a large number of people who are simply waking up in the morning and listening radio before they go to work.

The last option for advertisement would be in the newspaper. A lot of targeted customers are still using this medium. In a modern society, most of the young people prefer obtaining information from the internet, but older generations are still refusing to read news from their computer screens, and their main source of information remains the newspaper.

9.2 Personal Sale

This is an area, which is mastered by Koryna Company. Even though the firm hasn't basically any advertisements at all, it can rely on people working there. The management of the company is very sensible in the case of choosing coworkers. Every new member of the team is carefully chosen first by the manager of the department, and afterwards by the general manager (except for the executive workers in the factory, of course).

This process has to ensure one key outcome – that every new member will be a valuable asset for the team. Therefore, for personal sale, you could meet at Koryna Company exclusively with a professional. For example, to become a member of the sales team, you have to know at least three languages (as was mentioned before), including Czech, but you also need a university education. You may say that this isn't so important, but this is the philosophy of the company.

Another tool, which ensures a high level of personal sales in the company is the system of rewards for every transaction which is made. This therefore motivates all of the salesmen in the studios to perform the best they can so that they will be able to receive a percentage from the total sales of products.

The problem appears in the case of resellers. Koryna Company is, in their eyes, only one of many companies they represent and have no intention to promote products of

Koryna Company above all the other products. Also, management of the company can't ensure that sellers in these shops will be qualified and will understand products of the company as well as their own employees.

To solve this issue, Koryna Company has to begin communicating more effectively with dealers in the form of different reminders and promotional gifts, which increases awareness about the brand in their eyes, as well as reflecting positively upon customer care. Personal contact with dealers would be even better in this case. At this moment, the company is communicating only through the phone and electronic mail.

9.3 Public Relations

An important shortage in the PR activities of Koryna company is the lack of PR articles. Therefore, I would definitely recommend to return back to using PR articles and investing time to their release. Today, PR articles aren't only seen in newspapers, and the scale is much wider. Nowadays, any commercial text (written on custom) can be passed off as a PR article, which serves to affect public opinion in some way.

To improve PR, it would be great to start with something that will break the ice in eyes of public. For example, initiation of open door days in factories to attract the press and send a message that the company is stabilized and is in better shape than ever, which will definitely increase public trust in products of Koryna company after a series of negative news in the last two years.

Also, contacting local media and preparing an interview with a reporter about the effect of the stabilized health of the company and its impact in regional development. We already know that Koryna Company is an essential firm in Koryčany and its surroundings, and therefore, any mention about improvement of social features in the neighborhood will also increase the number of potential future employees, which could help the company move forward.

All of this news would be great to summarize in brochures, which would be available in the studios of Koryna, as well as in shops of authorized dealers. To move even further, it would be beneficial to create an internal magazine release for the purpose of increasing the firm's identity in the eyes of employees.

9.4 Sales Support

Here we have to realize, that to remain exclusive, the company could not go the way of promo actions, such as a “two for one price”. To be as precise as possible, the actual sales situation of the company is more than good. The capacity of the current employees workload is almost 100%. This situation was achieved mainly through great performance of the company in the field of winning government contracts. Therefore, if the company would like to support its sales, it has to first increase its number of employees.

However, theoretically speaking, the company would decide to increase the amount of its sales to not be pushy. Sales support has to be made in a way increases awareness about the main benefits of the company’s products. For example, the guarantees to the product could be extended back to 5 years as it was used before the year 2010. Quality products are the main weapons in attracting customers, so it is necessary to highlight them. Also, in the year 2016, the 160th anniversary since the company was established will take place. This anniversary has to be pointed out and promoted as much as possible, because it will send a clear message to potential customers that the company is still on the market, and its stability is better than ever. Of course, an anniversary is always a great tool to remind customers about a long tradition of the brand and history of the company.

In the case of B2B relations, the company should try to increase relations with their business partners. A simple tool, such as a calendar sent before Christmas, could improve relations. This could, of course, be seen as a minor action, but in reality, this little notification shows attention to detail, which creates long-term partnerships. By sending small gifts, the company isn’t saying, “you are not worth precious gifts”, but instead it is saying, “we know about you and we would like to remind that we are ready for mutual cooperation, whenever you need”.

10 COMPETITION ANALYSIS

There are several ways to compare competitors on the market. We could focus, for example, on the financial situation of the company, the evaluation of the balance sheet, and the profit and loss statement, or we could establish more thoughtful computation using future predictions of company development and brand awareness.

However, since this thesis is mainly focused on marketing communication, we will only have space to summarize the overall situation, with focuses on market share. For this reason, the following figure No. 5 was chosen, which displays the key features of each competitor.

10.1 Competition in the Czech Republic

In the table below, we can see some main key features, which affect marketing communication of Koryna Company and their competitors. All of the values are supposed to be understandable, and only the percentage of price levels and investment to the media have to be clarified. The author of the master's thesis meant 100% in the case of Sykora Company as certain numbers (amount of money) and all the other firms increase or decrease according this basis. We cannot use absolute numbers here because the prices for each product differ, and therefore, an approximation was made to make it clearer.

The table below shows that these leading companies are distinguished only by a few attributes and therefore, each of them is very important, and it is necessary that all its business competitive advantages continually strengthen and develop. The table shows that without a doubt, the biggest asset for the Koryna Company is widespread brand awareness. Its long tradition is well known among the customers, which leads to the fact that when they are deciding to purchase kitchen furniture, a lot of them take into account the possibility of buying just from this company.

Table No. 1: Competition comparison in the Czech Republic for the year 2012

	Koryna	Sykora	Hanák	Gorenje
Market share	9%	16%	8%	5%
Assortment				
Laminate	Yes	Yes	Yes	Yes
Foil	Yes	Yes	Yes	Yes
Massive	Yes	Yes	No	No
Veneer	Yes	Yes	Yes	Yes
Lacquer	Yes	Yes	Yes	No
Price level	90%	100%	110%	75%
Distribution network				
Own studios	3	16	10	12
Contractual stores	17	14	35	23
Delivery time	6-8 weeks	4-7 weeks	6-12 weeks	3-7 weeks
ISO certification	Yes	Yes	Yes	Yes
Brand awareness	18%	12%	4%	5%
Services to customers				
Warranty	2 years	2 years	3 years	2 years
Focus	Yes	Yes	Yes	Yes
Own assembly crews	No	No	No	Yes
Instalment sales	Yes	Yes	Yes	Yes
Price for assembly	Yes	Yes	Yes	Yes
www presentation	Yes	Yes	Yes	Yes
Investments to promotion year 2012	19%	100%	87%	62%

(Source: Author based on data from Koryna's internal marketing plan from 2012)

At first glance, one could think that Koryna's main disadvantage is due the lack of its own studios. On paper, it may seem like that, but this isn't completely correct. These numbers are the consequence of changes in leadership of the company, which occurred in 2011, and with this change began the complete transformation of the company. Before the year 2008, the company actually had the biggest network in Czech Republic, with the total amount of 35 of its own studios and the highest market share. But after the year 2011, a lot of studios were changed into contractual stores, and therefore, the company lost full control over them. Nevertheless, Koryna Company still has strong relations in these stores, and if there weren't official technicalities, we could even count them as their own studios. This fact could support percentage of market share, which shows that the Koryna Company is in second place in the Czech market.

One of the major mistakes was made by the management of Koryna Company by decreasing warranty for their products from 5 to 2 years. This was one of the key features why customers were deciding to purchase products mainly from this company in the past. As was already mentioned before, one of the main recommendations is increasing warranty to the previous 5 years, and therefore gain a distinction against competition.

If we compare spending on marketing activities, we could see that Koryna Company has the lowest investment rate. If we compare costs vs. market share of the media campaign of Hanák Company (which has a similar market share), we will see that with the lowest possible investments, Koryna Company still has a higher market share. The reason seems to be that the media advertising does not have hold so much weight for Koryna Company, and the success of the company has merit in other forms of marketing communication. Among other reasons belongs the long tradition of the Koryna brand.

At the moment, Koryna company is nevertheless still in the last place (even the market share is in second place), and there are several other factors that affect its position in the market. For example, one of the reasons is that Koryna had to sell most of its fixed assets in the past to avoid bankruptcy and make payments to creditors, and therefore, their stability isn't so good in the past. The best example could be observed if we took a look into the calculation of total assets of all three companies. While Sykora and Hanák have total assets in the amount of almost half a billion CZK, the Koryna Company has "only" a little bit over 50 million CZK, which is almost ten times less than both of its competitors.

Nevertheless, to summarize the competition evaluation, Koryna Company has one huge advantage. While all three competitors are focused mainly on maintaining relations with their permanent clients, Koryna Company is mostly focused on future development and actively seeking new business opportunities, which proves by effort to expand on new foreign markets.

10.2 Competition Abroad

Eastern Europe, especially the Russian and Kazakh markets, have virtually no major domestic producer of kitchen furniture. The system supports small producers and the

emerging manufacturing of laminated boards that are corpora basis for any furniture, including the kitchen.

In Russia, it also appears in a number of so-called joint ventures, which especially use western design, some metal parts kitchens, plastic and non-standard materials (artificial marble, glass). Although the sector has no tradition here, given the above import barriers, local production is still developing and already controls a significant portion of the market. With regard to the social structure of the population, however, there is still a big number of buyers who are unable to afford the social prestige of home products. Therefore, this market has fundamentally foreign producers, but it is a huge market and we can find here almost all major furniture companies from all over Europe. Czech companies have a long tradition in Russia, and an excellent reputation, but the main ones are primarily Italian companies - SCAVOLINI, BERLONI - and especially the German company, ALNO.

Therefore, this market accumulates companies from across Europe, and the enormous competitive pressures cause great demands on frequent variation range, design, and demands for orientation companies by big and picky customers.

Koryna, in the Russian market, is considered to be a rather conservative company, while the Italian company puts an emphasis on modern design. Nevertheless, Koryna Company found its own place in this market between conservative and movable customers.

10.3 SWOT Analysis

SWOT analysis is a basic tool for the evaluation of the actual situation of the company and predictions of future moves, which should be done. It will help us uncover the current situation of the company and avoid possible mistakes with launching new products or entering new markets. The figure below represents the strengths and weaknesses of the company, as well as opportunities and threats for future development.

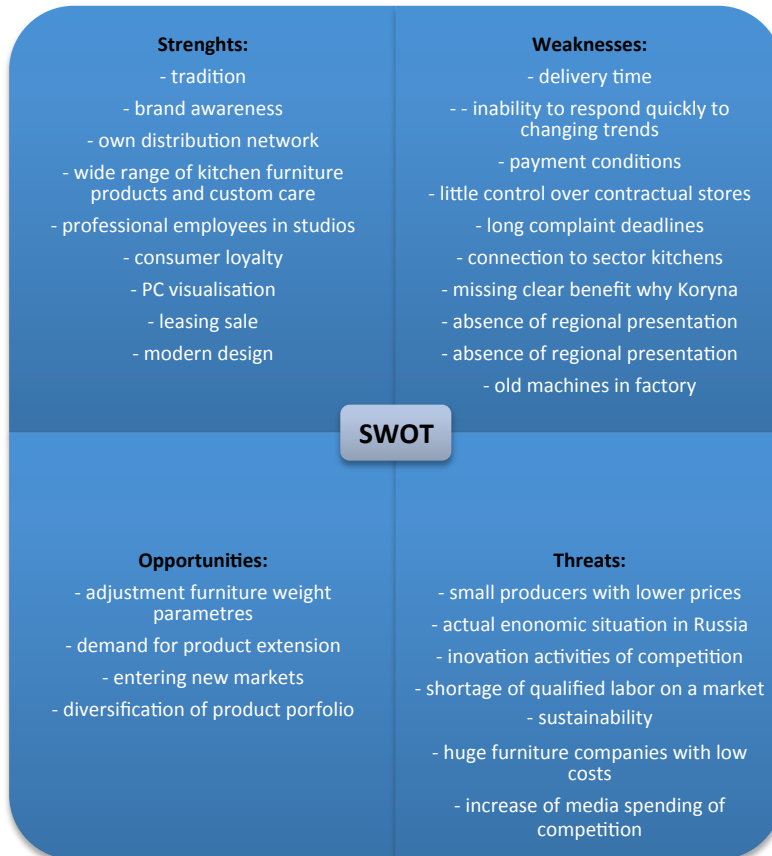


Fig. 11 SWOT matrix of Koryna Company

(Source: Author based on interviews with board members)

The kitchen furniture market, moreover any kind of furniture market, is very competitive. The company always has to find its own place in the blue ocean, but fortunately, this market will always be sustained in the future. The same is not the case in the CD/DVD market since these forms of media have stopped being used, and instead, its customers have converted to flash drives. In the case of the furniture market, there is a 100% certainty that people will always need to sleep and cook somewhere.

Strengths of Koryna Company are listed above and are quite understandable, but we also have to summarize them. Therefore, a further elaboration upon some of the terms used to point out some key features will follow suit.

A tradition of more than 150 years tells us that the company has a long history and already found the best means of furniture production, as well as having its own “know how” after all these years.

Brand awareness is clear at Koryna Company and all its customers have already seen the red logo with a white sign somewhere. Easily recognizable, easy to remember, clean and clear: these adjectives go hand in hand with the company's identity and its brand.

A wide range of designed kitchen furniture products is more than useful for a company like Koryna. Customers have become increasingly more demanding lately, and if the company wants to maintain the price and quality of the product, it has to offer some special benefits other than just competition. Therefore, its exclusive design is able to attract targeted group of solvent clients, which are willing to pay more for exclusivity and higher product standards.

Among the biggest weaknesses of Koryna Company is delivery time. The problem starts directly at the factory. Since in the last two years the number of contracts has increased much more than the number of employees, it is simply not possible to maintain productivity at this level. The delivery time and labor shortage problems are directly connected to the problem of long complaint deadlines. This is obvious when the company isn't able to make the primary product on time, resulting in a shortage of time in servicing that product, while already having another contract, or order, on the table.

Old machinery on the other hand is directly linked to the price of the product. If there were to be enough resources to innovate some key stage of manufacturing, time would be saved and the price of the product would drop down.

Among the opportunities belongs the upcoming market in hospital furniture. Until now, this has been an area where only huge corporations, which specialize in this field, were involved. However, an increasing number of owners of all kinds of medical centers would like to distinguish their center from others to attract customers, and therefore, exclusive furniture design is becoming more popular among them.

The biggest opportunity for the company is the establishment of cooperation in a new Chinese market. If this entrance will be handled well by the management of Koryna, it could move the company to a completely new level of business contracts.

The biggest threat has and always will be ruthless competition. In the case of Koryna, which also specializes in customized furniture, it seems to be small entrepreneurs. Companies with less than 50 employees. These companies have two key advantages: they are more flexible and they are more open to contact with customers. Since every

new contract is essential for them, the slightest disappointment of the customer could have inevitable consequences.

Among other things, the shortage of qualified labor can be mentioned. At first sight, one would instinctually want to move this threat somewhere among the weaknesses in the meaning of shortage in the factory, but this shortage is meant as a threat for the future in the Czech Republic in general. This is due to an increased number of young people attending universities in the present day, and a decreasing number of students in craft schools. This threat doesn't concern only Koryna Company, but also a lot of other firms that were used to recruiting more people whenever they wanted to in the past. Nowadays, before a new potential employee starts working in a factory, the candidate has to accomplish several months of training sessions in the factory.

The last threat, sustainability, is a summarization of all the factors mentioned above. The employees at a factory are already fully used, and any other new contract only creates additional pressure to the timeline and additional stress to the workers. Therefore, the company's management has to make some changes as soon as possible to maintain its production level, and at the same time, decrease pressure among the employees, which are at the factory at this moment. If these changes are made, the company will not only be able to fulfill its already signed contracts, but also to expand in the future.

11 DISCUSSION

Marketing activities have been changing a lot in the last few decades, whether in the field of electronic communication (internet, social networks, etc.), or in own approaches to improving communication with customers. This master's thesis deals with the marketing communication of Koryna Company in the present day.

The efforts were to find out actual marketing communication activities of Koryna company and suggest improvements that would help the company increase awareness about its brand, and basically to improve the image of the company and its marketing communication.

While processing the work, data obtained from observation was predominantly used as well as from interviewing members of management and several employees from the production side of Koryna Company. Research was also conducted by contracted agencies in the year 2012 to specify which customers Koryna Company should target in their promotion campaigns, but outcomes were not yet implemented into practice by new management due to a change in the company's structure and the merge of the marketing department with business the department into one branch.

As we read above, the company is missing a separate marketing department, and all of the marketing activities are run by the business department. This situation could be maintained for a short-term period, but from a long-term perspective it is an untenable state of affairs. This situation is worse due to an enormous workload on the management of the company. Customers may not notice it immediately, but these kinds of internal problems will eventually rise to the surface and harm their marketing communication. Therefore, the key problem of marketing communication within Koryna Company is in the company's structure.

All of the suggested improvements mentioned during this master's thesis would therefore be useless if there isn't a person in management who will have the time, skills, and competences to enforce them. This problem has to be addressed by the management of the company as soon as possible because otherwise, they will start losing customers, resulting in having to hire an external consultant firm to help solve this issue. If it were to come to that, the image of the company would be irreversibly damaged, and of

course, costs for external help would be much more expensive than if the problem were to be solved now.

This master's thesis isn't the first document concerning the marketing activities of Koryna Company. Research was conducted several times by the company according to the customer, brand, or product, and other documents were also created by management which focused on a marketing plan. Therefore, this thesis should serve mainly as a part of the puzzle which has to help in the marketing activities of Koryna Company, and find other mistakes that could be improved in the future.

12 CONCLUSION

It is important for the marketing communication of every company to realize which direction the company wants to go in, how it wants to be perceived by customers, and what it would like to accomplish by its communication. Modern philosophy is customer oriented and solves problems such as what the company should produce to be able to make sales, and therefore, is interested in and tries to satisfy the needs of the customers. Yet at the same time, it could affect its own image through marketing communication, and therefore, become more desirable in the eyes of the customers.

There are several main changes that have to be made to improve marketing communication in Koryna Company. The most crucial is changing the structure of the company. Particularly the business department, which is also in charge of the marketing department, has to split into two separate branches. It isn't possible for the marketing communication of a company to fully function in case it has to be part of the business development of the company. It used to be possible in small firms, but not in medium-sized ones, which Koryna Company belongs to. With the creation of the new marketing department, there have to also be carefully chosen new members of top management of the company who will be responsible for the newly established marketing department.

In terms of internet activities, it's highly recommended to pay more attention to upcoming trends and activities on social networks. Increasing amounts of promotion campaigns are lately focusing on customers using modern technology. Through research having been conducted several times, it is already known that internet promotion is more accurate with focusing on target groups, mainly by using advantages of the semantic web (advertisement that appears in the form of banners after searching for a product on the internet).

Further on from the internet activity recommendation, we could also mention the creation of a LinkedIn account, which has become increasingly popular among working professionals. It would not only extend brand awareness on the internet, but it could also help with searching for a qualified labor force, which is increasingly more rare in the present-day furniture industry. In terms of the free internet activities, the company could also establish a Youtube channel onto which it could upload videos from promotional events sponsored by Koryna Company. This will definitely help increase the good will of the company in the eyes of public and improve its image. Also it is

important to invest into another language mutation of the website so that customers all over the world will be able to check the products on the internet.

The company will mostly have to work on gaining trust from its customers again. All of the negative events that have taken place in recent years (articles in newspapers about bankruptcy, insolvency, financial problems etc.) decreased trust in the Koryna brand. The company has to send a message to the market that it is back in competition and doing better than ever. This will substantially help PR events at the open house in the factory, and to invite press to show that the well-known brand is performing again. PR articles in the newspaper would also help to show the company in a positive light again.

On top of all these recommendations, the company has to offer something new to their customers that no one else is willing to give in order to target its desired customers. The main asset of the company is a quality product that lasts a long time. The guaranteed warranty for the furniture is currently lower than necessary. Therefore, as a part of marketing communication, the warranty could be increased to a higher level of competition that had been previously used.

After focusing on the product, it would be good to also improve the price communication of the company. The price of the product is most often derived from manufacturing and other costs, and consists of a surcharge on reasonable profit. However, in terms of today's prices, no company can get by without information about and comparison of prices with competitors. The price can often be influenced also by state regulation. This is most evident in the various forms of import barriers (mainly customs duties and VAT) for the export of goods abroad. To sum up the price findings, Koryna Company has to go through the process of setting a price, as well as involving more factors that affect the current price rate.

Koryna exports its products mostly to the Eastern and Central European countries. In this way, the company communicates to the customer that it belongs among international players and aims to be available around the world. Despite initial success in the Russian market, the company was forced to limit export there. Purchasing power decreased substantially in the last year, and therefore, Koryna company products have become more distant to Russian costumers. Other than the decrease in purchasing power of Russian customers, recent sanctions have made all of the products more expensive. Koryna Company is trying to solve the decrease in sales in the Russian

market by entering Chinese market, but this is a risky plan. Instead, it would be better to start in the Turkish (mainly Istanbul) market, where the company could rely on support from the close proximity of partners in Bulgaria. Marketing communication with customers from Istanbul will also be more intuitive as the city has in recent years become increasingly more open to quality products from Europe.

An important part of the marketing mix is location. The fact is that the involvement of each article for further distribution ultimately increases the selling price of the product, and thus a number of them have to be well considered. The Czech Republic is a small area, and therefore, distribution here is not as difficult as it is in large countries that also have poor infrastructure. The Russian market is currently a perfect example of how problematic tough Russian laws can be for customers when imposing huge fines for each day of delay in delivery. Delivery time could be faster, but this isn't a problem of the contract carrier, and rather of full utilization of the executive labor force in the Koryna factory.

Marketing communication and its importance there is still growing. There doesn't perhaps exist a company today that does not promote its products. Communication strategy includes all forms of internal and external advertising, trade fairs, sales promotion, personal sales, public relations, etc. All communication tools are of great importance to the image, publicity, and name of the company, and can act as both a positive and a negative force. It is therefore a very fragile instrument that can bring great success and profit, but also enormous costs without any positive results.

Currently, Koryna Company is spending a small percentage of its profit on marketing activities, which may improve communication with customers. The goal of the communication strategy of the Koryna Company in the Czech Republic and the eastern markets should be highlighting the brand, raise awareness about it in the minds of the customers, and send a clear message that the company is back with full strength. Therefore, there has to be a great emphasis on the logo and the company name, rather than the display of products and other details. It is therefore mostly a reminding activity, which largely due to the fact that the company has a long tradition in the Czech market, and almost everyone is aware of the extent of its activities.

All of these improvements are only the initial steps that should be taken to improve marketing communication, as well as the general performance of Koryna Company.

There is still a lot of work left to be done, which should be tackled according to how the company will evolve in the next few years, especially in terms of launching a new foreign market. In general, however, all of the recommendations mentioned in this master's thesis will serve as a guideline for future development and will positively affect marketing communication, as well as the economic situation of Koryna Company, which is the original goal of the thesis.

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Výpis platných

z obchodního rejstříku, vedeného
Krajským soudem v Brně
oddíl B, vložka 4095

Datum zápisu:	8. ledna 2003
Spisová značka:	B 4095 vedená u Krajského soudu v Brně
Obchodní firma:	KORYNA a.s.
Sídlo:	Kopečná 940/14, Staré Brno, 602 00 Brno
Identifikační číslo:	263 09 165
Právní forma:	Akciová společnost
Předmět podnikání:	výroba, obchod a služby neuvedené v přílohách 1 až 3 živnostenského zákona truhlářství, podlahářství
Statutární orgán:	
Způsob jednání:	Společnost zastupuje člen představenstva.
člen představenstva:	JUDr. PETR HOLUB, dat. nar. 10. května 1973 Bohuslava Martinů 803/11, Stránice, 602 00 Brno Den vzniku členství: 3. dubna 2012
Způsob jednání:	Společnost zastupuje člen představenstva.
Dozorčí rada:	
Člen dozorčí rady:	Ing. HANA SVĚTELSKÁ, dat. nar. 26. listopadu 1965 č.p. 305, 756 11 Valašská Polanka Den vzniku členství: 24. února 2011
Jediný akcionář:	Ing. OLGA HOLUBOVÁ, dat. nar. 5. července 1950 Bohuslava Martinů 804/13, Stránice, 602 00 Brno
	21 ks kmenové akcie na jméno v listinné podobě ve jmenovité hodnotě 100000,- Kč
Základní kapitál:	2 100 000,- Kč Splaceno: 100%
Ostatní skutečnosti:	Počet členů statutárního orgánu: 1 Počet členů dozorčí rady: 1 Obchodní korporace se podřídila zákonu jako celku postupem podle § 777 odst. 5 zákona č.90/2012 Sb. o obchodních společnostech a družstvech

VÝKAZ ZISKU A ZTRÁTY, druhové členění

v plném rozsahu

ke dni 31.12.2013

(v celých tisících Kč)

Název a sídlo účetní jednotky

KORYNA, a. s.

Kopečská 940/14

Brno 2

60200

IČ
2 6 3 0 9 1 6 5

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
I.	Tržby za prodej zboží	01	13 261	51 858
A.	Náklady vynaložené na prodané zboží	02	11 016	44 077
+	Obchodní marže (I. - A.)	03	2 245	7 781
II.	Výkony (II.1. až II.3.)	04	121 405	65 210
II.1.	Tržby za prodej vlastních výrobků a služeb	05	110 814	60 783
2.	Změna stavu zásob vlastní činnosti	06	10 591	4 056
3.	Aktivace	07	0	371
B.	Výkonová spotřeba (B.1. + B.2.)	08	96 810	85 512
B. 1.	Spotřeba materiálu a energie	09	68 200	41 951
2.	Služby	10	28 610	43 561
+	Přidaná hodnota (I. - A. + II. - B.)	11	26 840	-12 521
C.	Osobní náklady (součet C.1. až C.4.)	12	32 499	8 714
C. 1.	Mzdové náklady	13	24 268	6 520
2.	Odměny členům orgánu společnosti a družstva	14	0	0
3.	Náklady na sociální zabezpečení a zdravotní pojištění	15	8 046	2 175
4.	Sociální náklady	16	185	19
D.	Daně a poplatky	17	790	313
E.	Odpisy dlouhodobého nehmotného a hmotného majetku	18	4 216	1 796
III.	Tržby z prodeje dlouhodobého majetku a materiálů (III.1. + III.2.)	19	2 713	1 851
III.1.	Tržby z prodeje dlouhodobého majetku	20	1 548	25
2.	Tržby z prodeje materiálů	21	1 165	1 826
F.	Zůstatková cena prodaného dlouhodob. majetku a materiálu (F.1. + F.2.)	22	2 950	1 047
F. 1.	Zůstatková cena prodaného dlouhodobého majetku	23	1 971	0
2.	Prodaný materiál	24	979	1 047
G.	Změna stavu rezerv a opravných položek v provozní oblasti a komplexních nákladů příštích období	25	1 060	-191
IV.	Ostatní provozní výnosy	26	14 766	17 844
H.	Ostatní provozní náklady	27	3 846	2 673
V.	Převod provozních výnosů	28	0	0
I.	Převod provozních nákladů	29	0	0
*	Provozní výsledek hospodaření (zohlednění položek (+). až V.)	30	-1 042	-7 178

0309165

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
VI.	Tržby z prodeje cenných papírů a podílů	31	0	0
J.	Prodané cenné papíry a podíly	32	0	0
VII.	Výnosy z dlouhodobého finančního majetku (součet VII.1. až VII.3.)	33	0	0
VII.1.	Výnosy z podílů v ovládaných osobách a v účetních jednotkách pod podstatným vlivem	34	0	0
2.	Výnosy z ostatních dlouhodobých cenných papírů a podílů	35	0	0
3.	Výnosy z ostatního dlouhodobého finančního majetku	36	0	0
VIII.	Výnosy z krátkodobého finančního majetku	37	0	0
K.	Náklady z finančního majetku	38	0	0
IX.	Výnosy z přecenění cenných papírů a derivátů	39	0	0
L.	Náklady z přecenění cenných papírů a derivátů	40	0	0
M.	Změna stavu rezerv a opravných položek ve finanční oblasti	41	0	0
X.	Výnosové úroky	42	18	96
N.	Nákladové úroky	43	1 559	798
XI.	Ostatní finanční výnosy	44	947	1 137
O.	Ostatní finanční náklady	45	718	1 045
XII.	Převod finančních výnosů	46	0	0
P.	Převod finančních nákladů	47	0	0
*	Finanční výsledek hospodaření (zohlednění položek VI, až P.)	48	-1 312	-610
Q.	Daň z příjmů za běžnou činnost (Q.1. + Q.2.)	49	34	1 759
Q. 1.	- splatná	50	234	1 759
2.	- odložená	51	-200	0
**	Výsledek hospodaření za běžnou činnost (průvozní výsledek hospodaření + finanční výsledek hospodaření - Q.)	52	-2 388	-9 547
XIII.	Mimořádné výnosy	53	0	20 150
R.	Mimořádné náklady	54	0	158
S.	Daň z příjmů z mimořádné činnosti (S.1 + S.2)	55	0	0
S. 1.	- splatná	56	0	0
2.	- odložená	57	0	0
*	Mimořádný výsledek hospodaření (XIII. - R. - S.)	58	0	19 992
T.	Převod podílu na výsledku hospodaření společníkům (+/-)	59	0	0
***	Výsledek hospodaření za účetní období (+/-) (výsledek hospodaření za běžnou činnost + mimořádný výsledek hospodaření - T.)	60	-2 388	10 445
****	Výsledek hospodaření před zdaněním (průvozní výsledek hospodaření + finanční výsledek hospodaření + mimořádné výnosy - R.)	61	-2 354	12 204

Sestaveno dne: 30.6.2014

Právní forma účetní jednotky: akciová společnost

Předmět podnikání účetní jednotky: výroba nábytku

Podpisový záznam:

ROZVAHA

v plném rozsahu

ke dni 31.12.2013

(v celých tisících Kč)

Název a sídlo účetní jednotky

KORYNA, a.s.

Kopečná 940/14

Brno 2

60200

IČ

2 6 3 0 9 1 6 5

Označení a	AKTIVA b	Číslo řádku c	Běžné účetní období			Mínulé úč. období
			Brutto 1	Korekce 2	Netto 3	Netto 4
	AKTIVA CELKEM (A. + B. + C. + D.I.)	001	77 705	-10 348	88 053	54 803
A.	Pohledávky za upsaný základní kapitál	002	0	0	0	0
B.	Dlouhodobý majetek (B.I. + B.II. + B.III.)	003	16 477	-11 654	28 131	15 592
B. I.	Dlouhodobý nehmotný majetek (součet B.I. 1. až B.I.8.)	004	-44 762	-3 288	-41 474	14 067
B. I. 1.	Zřizovací výdaje	005	0	0	0	0
2.	Nehmotné výsledky výzkumu a vývoje	006	0	0	0	0
3.	Software	007	49	49	0	0
4.	Ocenitelná práva	008	17 167	5 960	11 207	14 067
5.	Goodwill	009	-61 978	-9 297	-52 681	0
6.	Jiný dlouhodobý nehmotný majetek	010	0	0	0	0
7.	Nedokončený dlouhodobý nehmotný majetek	011	0	0	0	0
8.	Poskytnuté zálohy na dlouhodobý nehmotný majetek	012	0	0	0	0
B. II.	Dlouhodobý hmotný majetek (součet B.II.1. až B.II.9.)	013	58 239	-8 366	66 605	-1 475
B. II. 1.	Pozemky	014	3 497	0	3 497	943
2.	Stavby	015	77 630	6 790	70 840	8 300
3.	Samostatné movité věci a soubory movitých věcí	016	10 858	7 745	3 113	2 422
4.	Pěstelské celky trvalých porostů	017	0	0	0	0
5.	Dospělé zvířata a jejich skupiny	018	0	0	0	0
6.	Jiný dlouhodobý hmotný majetek	019	0	0	0	0
7.	Nedokončený dlouhodobý hmotný majetek	020	43	0	43	0
8.	Poskytnuté zálohy na dlouhodobý hmotný majetek	021	0	0	0	0
9.	Oceňovací rozdíl k nabytému majetku	022	-33 789	-22 901	-10 888	-13 140
B.III.	Dlouhodobý finanční majetek (součet B.III.1. až B.III.7.)	023	3 000	0	3 000	3 000
B.III.1.	Podíly - ovládaná osoba	024	3 000	0	3 000	3 000
2.	Podíly v účetních jednotkách pod podstatným vlivem	025	0	0	0	0
3.	Ostatní dlouhodobé cenné papíry a podíly	026	0	0	0	0
4.	Půjčky a úvěry - ovládaná nebo ovládající osoba, podstatný vliv	027	0	0	0	0
5.	Jiný dlouhodobý finanční majetek	028	0	0	0	0
6.	Požžovaný dlouhodobý finanční majetek	029	0	0	0	0
7.	Poskytnuté zálohy na dlouhodobý finanční majetek	030	0	0	0	0

Značení a	AKTIVA b	Číslo řádku c	Běžné účetní období			Minulé úč. období
			Brutto 1	Korekce 2	Netto 3	Netto 4
C.	Oběžná aktiva (C.I. + C.II. + C.III. + C.IV.)	031	60 650	1 306	59 344	39 130
C. I.	Zásoby (součet C. I.1. až C.I.6.)	032	29 378	0	29 378	13 596
C. I. 1.	1. Materiál	033	9 789	0	9 789	5 766
	2. Nedokončená výroba a polotovary	034	6 652	0	6 652	1 605
	3. Výrobky	035	8 714	0	8 714	3 498
	4. Mladá a ostatní zvířata a jejich skupiny	036	0	0	0	0
	5. Zboží	037	4 098	0	4 098	2 727
	6. Poskytnuté zálohy na zásoby	038	125	0	125	0
C. II.	Dlouhodobé pohledávky (součet C.II. 1. až C.II.8.)	039	0	0	0	0
C. II. 1.	1. Pohledávky z obchodních vztahů	040	0	0	0	0
	2. Pohledávky - ovládaná nebo ovládající osoba	041	0	0	0	0
	3. Pohledávky - podstatný vliv	042	0	0	0	0
	4. Pohledávky za společníky, členy družstva a účastníky sdružení	043	0	0	0	0
	5. Dlouhodobé poskytnuté zálohy	044	0	0	0	0
	6. Dohadné účty aktivní	045	0	0	0	0
	7. Jiné pohledávky	046	0	0	0	0
	8. Odložená daňová pohledávka	047	0	0	0	0
C.III.	Krátkodobé pohledávky (součet C.III.1. až C.III.9.)	048	28 713	1 306	27 407	21 685
C.III. 1.	1. Pohledávky z obchodních vztahů	049	22 495	1 306	21 189	12 853
	2. Pohledávky - ovládaná nebo ovládající osoba	050	0	0	0	0
	3. Pohledávky - podstatný vliv	051	0	0	0	0
	4. Pohledávky za společníky, členy družstva a účastníky sdružení	052	0	0	0	0
	5. Sociální zabezpečení a zdravotní pojištění	053	0	0	0	0
	6. Stát - daňové pohledávky	054	624	0	624	832
	7. Krátkodobé poskytnuté zálohy	055	1 119	0	1 119	2 026
	8. Dohadné účty aktivní	056	4	0	4	166
	9. Jiné pohledávky	057	4 471	0	4 471	5 808
C.IV.	Krátkodobý finanční majetek (součet C.IV.1 až C.IV.4)	058	2 559	0	2 559	3 849
C.IV. 1.	1. Peníze	059	541	0	541	419
	2. Účty v bankách	060	2 018	0	2 018	3 430
	3. Krátkodobé cenné papíry a podíly	061	0	0	0	0
	4. Pohžovaný krátkodobý finanční majetek	062	0	0	0	0
D. I.	Časová rozlišení (D.I.1. + D.I.3.)	063	578	0	578	81
D. I. 1.	1. Náklady příštích období	064	322	0	322	49
	2. Komplexní náklady příštích období	065	0	0	0	0
	3. Příjmy příštích období	066	256	0	256	32

Označení	PASIVA	Číslo řádku	Stav v běžném účet. období	Stav v minulém účet. období
a	b	c	5	6
	PASIVA CELKEM (A. + B. + C.I.)	067	88 053	54 803
A.	Vlastní kapitál (A.I. + A.II. + A.III. + A.IV. + A.V.)	068	13 556	17 031
A. I.	Základní kapitál (A.I.1. + A.I.2. + A.I.3.)	069	2 100	2 100
A. I. 1.	Základní kapitál	070	2 100	2 100
2.	Vlastní akcie a vlastní obchodní podíly (-)	071	0	0
3.	Změny základního kapitálu	072	0	0
A. II.	Kapitálové fondy (součet A. II.1 až A. II.5)	073	0	0
A. II. 1.	Emisní ážio	074	0	0
2.	Ostatní kapitálové fondy	075	0	0
3.	Oceňovací rozdíly z přecenění majetku a závazků	076	0	0
4.	Oceňovací rozdíly z přecenění při přeměnách	077	0	0
5.	Rozdíly z přeměn společností	078	0	0
6.	Rozdíly z ocenění při přeměnách společností	079	0	0
A. III.	Rezervní fond, nedělitelný fond a ostatní fondy ze zisku (A.III.1. + A.III.2.)	080	420	420
A. III. 1.	Zákonný rezervní fond / Nedělitelný fond	081	420	420
2.	Statutární a ostatní fondy	082	0	0
A. IV.	Výsledek hospodaření minulých let (A.IV.1. + A.IV.2.)	083	13 424	4 066
A. IV. 1.	Nerozdělený zisk minulých let	084	14 386	4 066
2.	Neutrázená ztráta minulých let	085	0	0
3.	Jiný výsledek hospodaření minulých let	086	- 962	0
A. V.	Výsledek hospodaření běžného účetního období +/-	087	- 2 388	10 445
B.	Cizí zdroje (B.I. + B.II. + B.III. + B.IV.)	088	71 254	37 116
B. I.	Rezervy (součet B.I.1. až B.I.4.)	089	0	0
B. I. 1.	Rezervy podle zvláštních právních předpisů	090	0	0
2.	Rezerva na důchody a podobné závazky	091	0	0
3.	Rezerva na daň z příjmů	092	0	0
4.	Ostatní rezervy	093	0	0
B. II.	Dlouhodobé závazky (součet B.II. 1. až B.II.10.)	094	21 807	221
B. II. 1.	Závazky z obchodních vztahů	095		0
2.	Závazky - ovládaná nebo ovládající osoba	096	0	21
3.	Závazky - podstatný vliv	097	0	0
4.	Závazky ke společníkům, členům družstva a k účastníkům sdružení	098	0	0
5.	Dlouhodobé přijaté zálohy	099	0	0
6.	Vydané dluhopisy	100	0	0
7.	Dlouhodobé směnky k úhradě	101	0	0
8.	Dohadné účty pasivní	102	0	0
9.	Jiné závazky	103	21 807	0
10.	Odloužený daňový závazek	104	0	200

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Označení #	PASIVA b	Číslo řádku c	Stav v běžném účet. období 5	Stav v minulém účet. období 6
B. III.	Krátkodobé závazky (součet B.III.1. až B.III.11.)	105	45 413	18 119
B. III. 1.	Závazky z obchodních vztahů	106	18 365	8 359
2.	Závazky - ovládaná nebo ovládající osoba	107	0	0
3.	Závazky - podstatný vliv	108	0	0
4.	Závazky ke společníkům, členům družstva a k účastníkům sdružení	109	0	0
5.	Závazky k zaměstnancům	110	2 359	793
6.	Závazky ze sociálního zabezpečení a zdravotního pojištění	111	1 246	422
7.	Stát - daňové závazky a dotace	112	1 049	2 287
8.	Krátkodobé přijaté zálohy	113	3 449	3 777
9.	Vydané dluhopisy	114	0	0
10.	Dohadné účty pasivní	115	49	2 030
11.	Jiné závazky	116	18 896	451
B.IV.	Bankovní úvěry a výpomoci (součet B.IV.1. až B.IV.3.)	117	4 034	18 776
B. IV. 1.	Bankovní úvěry dlouhodobé	118	0	0
2.	Krátkodobé bankovní úvěry	119	4 034	0
3.	Krátkodobé finanční výpomocí	120	0	18 776
C. I.	Časové rozlišení (C.I.1 + C.I.2.)	121	3 243	656
C. I. 1.	Výdaje příštích období	122	3 243	656
2.	Výnosy příštích období	123	0	0

Sestaveno dne: 30.6.2013

Právní forma účetní jednotky: akciová společnost

Předmět podnikání účetní jednotky: výroba nábytku

Podpisový záznam:

