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## FACULTY OF BUSINESS AND MANAGEMENT

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## INSTITUTE OF MANAGEMENT

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# PROPOSALS FOR EXPANDING THE MARKETING COMMUNICATION FOR A COMPANY'S INTERNATIONAL AUDIENCE

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## MASTER'S THESIS

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# Assignment Master's Thesis

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## **Proposals for Expanding the Marketing Communication for a Company's International Audience**

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Introduction  
Goals of the Theses  
Theoretical Foundations  
Current Situation Analysis  
Proposals and Contribution  
Conclusion  
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List of Appendices

### **Objectives which should be achieve:**

The diploma thesis is focusing on a company that is a leading Czech company selling Czech design and also an organization hosting international design competitions. The aim of the thesis is, based on the analyses of the current marketing position of the company, to prepare own proposals and recommendations that will lead to an increase in awareness of the company Czechdesign products and e-shop internationally.

### **Basic sources of information:**

CATEORA, Philip, John GRAHAM and Mary GILLY. International Marketing. 18th. Mc Graw Hill Education, 2019. ISBN 978-1-260-54787-0.

HANZELKOVÁ, Alena. Strategický marketing: teorie pro praxi. Praha: C.H. Beck, 2009. C.H. Beck pro praxi. ISBN 978-80-7400-120-8.

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## **Abstract**

The diploma thesis is focusing on a company that is a leading Czech company selling Czech design and also an organization hosting international design competitions. The aim of the thesis is, based on the analyses of the current marketing position of the company, to prepare own proposals and recommendations that will lead to an increase in awareness of the company Czechdesign products and e-shop internationally.

## **Keywords**

Marketing, communication, social media, international audience, Czech design

## **Abstrakt**

Diplomová práce je zaměřena na společnost, která je přední českou firmou prodávající český design a zároveň organizací pořádající mezinárodní designové soutěže. Cílem diplomové práce je na základě analýz současného marketingového postavení společnosti připravit vlastní návrhy a doporučení, které povedou ke zvýšení povědomí nejen o produktech společnosti Czechdesign, ale i e-shopu v mezinárodním měřítku.

## **Klíčová slova**

Marketing, komunikace, sociální media, mezinárodní publikum, český design

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## **AFFIDAVIT**

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Bc. Veronika Ulrichová

author's signature

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# INTRODUCTION

In today's digital age, it is important for a company to be visible and actively create a positive brand image in the online space. If a business is targeting the B2C market it is particularly important that it can compete in competitive markets and can convey its added value to customers, including providing a high level of accompanying services. Standing up to the competition requires a lot of effort on the company side, and it is necessary to stay up to date and follow new trends, not just marketing trends.

The above mentioned is even more true when a company wants to attract international customers in addition to local ones, specifically in the case of this thesis the focus is on attracting the attention of foreign tourists and international audiences on social media, which the company actively uses.

This thesis is implemented in the company Czechdesign, a Czech company based in Prague. The company also has its own shop, where it sells primarily Czech and Slovak design products from prestigious designers and brands such as Maxim Velčovský, Růckl or Klimchi.

The thesis is divided into three main parts. The first chapter is devoted to the theoretical explanation of the necessary background and definitions in the field of marketing, international marketing and marketing trends. The second chapter of this thesis focuses on the analysis of the current state of the company Czechdesign. Czechdesign is presented and analysed from the perspective of the 4P marketing mix. The social media - Facebook and Instagram - that Czechdesign uses for marketing communication are also analysed. The analysis of foreign customers is done in both offline and online environments. These and other analyses are the basis for the final SWOT analysis, which analyses the strengths, weaknesses, opportunities and threats around the company.

The last and third part of this thesis focuses on the proposals that are based on results of the performed analyses from the second chapter. In the proposal section, a total of three proposals are presented including their financial requirements. It is these proposals that should lead to increased brand awareness of the company Czechdesign among foreign audiences and international tourists in Prague.

# **GOALS OF THE THESIS**

## **Aim of the thesis**

This diploma thesis aim is to propose suggestions for online marketing communication of the company CZECHDESIGN which shop is located in Prague. The proposals will be based on the analysis of the current situation and performed analysis with a focus on the company's international audience. Performed analysis and proposals should lead to increased awareness of the company's designer products among international customers and audience on the company's social media.

## **Methodology**

The diploma thesis consists of three main parts. The first part is theoretical, it identifies needed theoretical terms and theoretical background of the diploma thesis. For the theoretical part will be used method of critical review of relevant scientific literature, articles, and online sources from the field of marketing, international marketing, and social media.

The second part of the thesis is practically oriented, and furthermore developed into the analytical part. The marketing environment of the company will be researched through marketing mix analysis in Chapter 2.4. The competitiveness of Czechdesign will be researched based on five competitive factors in Chapter 2.5. Quantitative research will be used in Chapter 2.6 to analyze the social media that Czechdesign actively uses. To support the international Czech Republic. Qualitative research will then be completed through face-to-face interviews with international customers at Czechdesign's brick-and-mortar store in Prague. The research on the company's international customers will be completed in Chapter 2.8 of this thesis. All obtained data and key findings from the research will be summarized into a SWOT analysis.

The final part of the thesis focuses on the proposals and contribution. The proposals are based on the data collected and the results of the research conducted in the second chapter of this thesis. Based on this research, three suggestions are presented in the thesis. The aim of these proposals is to focus on Czechdesign's online marketing communication towards its international customers, together with the intention of increasing awareness of the company internationally.

# 1 THEORETICAL FOUNDATIONS

The first chapter of the thesis, Theoretical background, explains the main definitions and terms dealing with marketing topic. There will be described two crucial general terms – marketing and international marketing. Followed by Social media marketing, Marketing trends, Marketing strategy, Marketing mix 4P, Communication mix and Marketing environment. The chapter will be concluded with a SWOT analysis description. The content of the theoretical chapter will serve as needed background for usage in the second, analytical part of this thesis.

## 1.1 Marketing

There are numerous definitions dealing with the word *marketing*. What is the basis described in all of them is the phrase *satisfying customer needs*. Foret, Procházka, Urbánek (2005) describe marketing as a summary of steps and tools thanks to which can company increase the probability of its success together with achieving the goals set by the company itself.

To cover all activities with which is marketing connected, it is needed to extend the definition above the borders of the typical 4P marketing mix - product, price, promotion, and placement. According to Solomon, Marshall (2006) is marketing part of a company's processes which creates, tells, and spreads value for customers in the form from which the company profits in a long run, it is the tool thanks to which can be the company competitive in a long run.

Marketing activities are according to Hanzelková, et al. (2009) classified into various strategic categories. These categories are:

- Brand management,
- Communication strategies,
- Communication mix,
- Corporate design,
- Human Resources in marketing,
- Marketing security.

The ultimate goal of marketing is to know and understand customer needs that precisely, that the product or service fits the customer so well that it would sell itself, meaning that the marketing results in a customer, who is ready to buy. It is the relationship between people and what their values stand for (Trompenaars, Woolliams, 2004).

## **1.2 International marketing**

Machková (2021) explains the term international marketing as a philosophy with the main focus to satisfy customers' needs in the international markets. The goal is to create maximal value for stakeholders and seek entrepreneurial challenges in the international markets. The process of internalization is influenced by various factors such as:

- Social and cultural differences influencing customer behavior,
- Legislative and political conditions,
- Customers' loyalty to local products and producers,
- Language barriers.

## **1.3 Marketing trends**

### **1.3.1 Influencer marketing**

Influencer marketing has become one of the most inseparable for of social media marketing globally. Cooperation with influencers – content creators can increase brand awareness, unlock new, untouched customer niche and drive conversions. The influencer marketing market size is now standing at around 14 billion U.S. dollars. Worldwide, Instagram is the most popular social media platform for influence marketing. In Europe, there are around 295 million active users of Instagram (Dencheva, 2023).

### **1.3.2 Virtual event marketing**

The Covid-19 pandemic has forced companies to cancel in-person events and move them into an online environment. Webinars and online conferences become part of daily life. The change from offline to online is nowadays also reflected in company budgeting. A combination of both, offline and online experiences, so-called hybrid event experience is as well becoming more common. More than half of surveyed marketers tend to come back to offline events, on the other hand, employees would like to keep the ability to work remotely, and it is a quite strong decisive factor when applying for a new job (Dencheva, 2023).

### **1.3.3 Social media as a service tool**

Despite being a relatively new trend, it is growing rapidly. It is becoming common that companies are using direct messages on social media as a tool offering customer support and space for asking questions about the product itself. It is no surprise that this transformation is widely used on Facebook and Instagram, two platforms which will become even more crucial for companies to be visible on (Bump, 2022).

### **1.3.4 Video as the top marketing content format**

It is well known that video format dominated the marketing space in the year 2022. The prediction for 2023 seems to be no different. Video can create a deeper connection with the potential customer, it makes the brand more accessible and interesting for potential customers. Share videos as a tool for marketing is now possible not only on YouTube platform but as well on Facebook and Instagram. Facebook is still the most common social platform, followed by Instagram, YouTube and Twitter in the fourth place (Bump, 2022).

### **1.3.5 TikTok**

TikTok become one of the fastest-growing social platform worldwide in 2022. It goes hand in hand with the video content marketing trend. Companies nowadays use TikTok to boost brand awareness and create a community (Dencheva, 2023).

TikTok become viral almost three years ago and still, the number of users is increasing. Currently, with more than 1 billion global users, it is an app with a high reach of a wide variety of audiences and markets (Bump, 2022).

## **1.4 Marketing strategy**

A company's marketing strategy significantly differs according to the field of business in which the company operates, on which type of customers and markets is company focusing or in which environment the company operates. As Hanzelková, et al. (2009) described examples from the practice, strategy is a set of long-term goals that the company wants to achieve by using tools and processes that will lead the company to achieve them successfully.

Kašík and Havlíček (2012) say, that there can be described four various types of marketing strategies, in line with the 4P marketing mix. These are:

- Product strategy,
- Price strategy,
- Promotion strategy,
- Placement strategy.

Still, valid definition of strategy is as well from Wheelen and Hunger (1992) where is strategy described as a company's plan, how to achieve stated goals hand in hand with the company's mission. The strategy helps a company to minimize competitive disadvantages and maximize competitive advantages.

Horáková (2003) stated that when strategy goals are created, they should meet the so-called SMART method categorization. This means that the objectives of the company's strategy should be Specific, Measurable, Achievable, Relevant and Time-bounded.

### 1.4.1 Differentiation strategy

The purpose of differentiation strategy lies in the differences among competitors. It is common in developed countries. As Machková (2015) points out, products have usually higher prices which are compensated with extra service attached to these specific products. The differentiation strategy is mostly connected with a narrow portfolio of offered products.

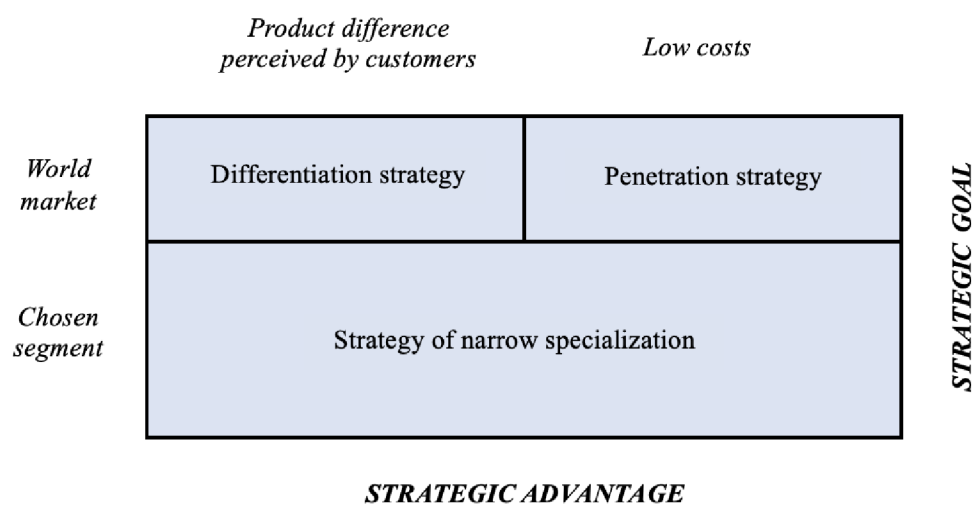


Figure 1: Competitive strategy on international markets (Own processing; Machková, 2015)



## 1.4.2 Push and pull strategy

Marketing communication can be generally based on two concepts, pull strategy, and push strategy. Push strategy is based on distribution intermediate channels which communicate with end customers. Part of the push strategy is usually personal selling and tools which support the customer experience such as leaflets, shop design, lighting and so on. On the other hand, the pull strategy targets the end customer. The main used tools are advertisement and promotion (Machková 2015).

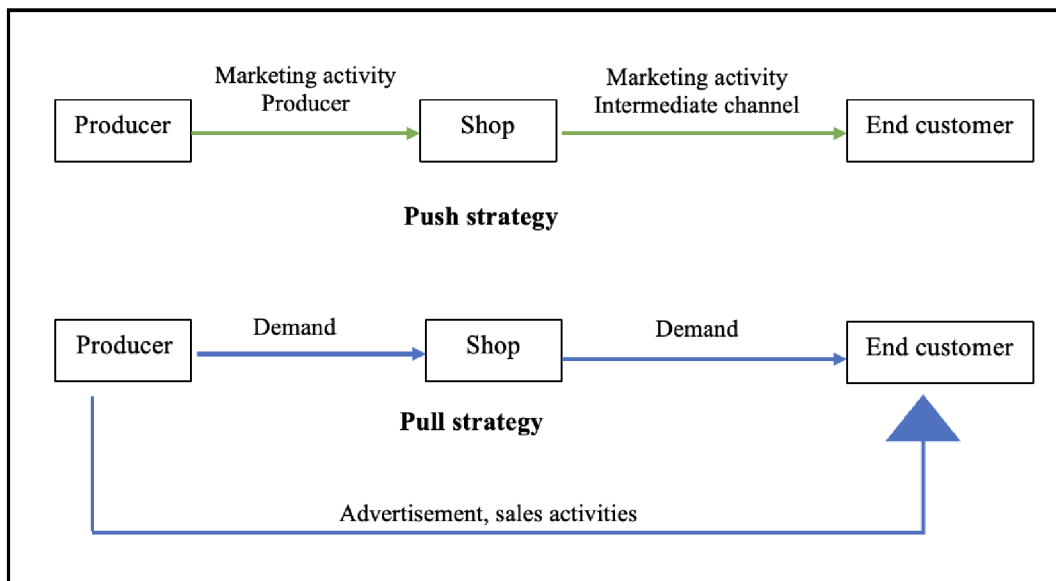
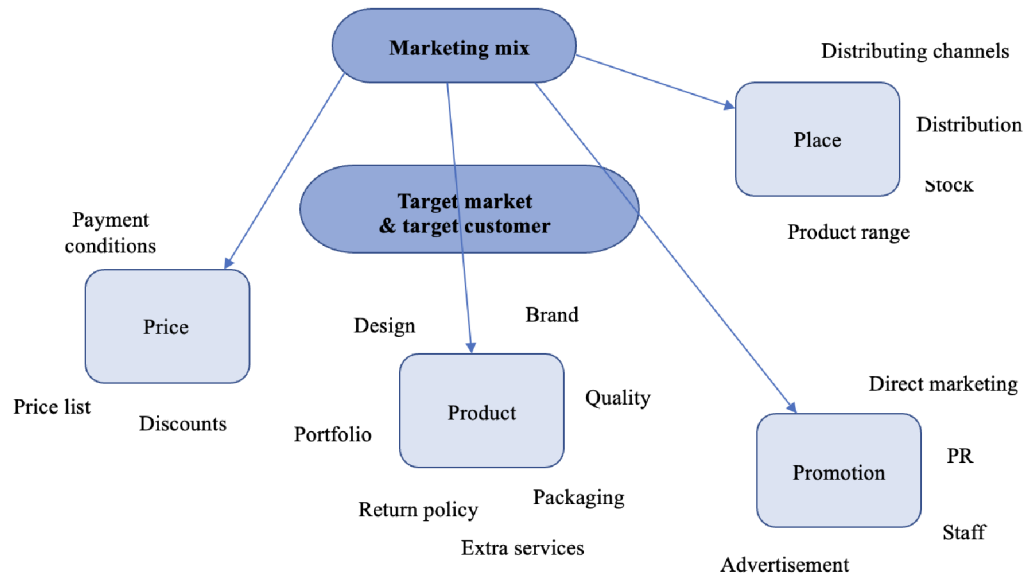


Figure 2: Push and pull strategy (Own processing; Armstrong, Kotler 2004)

## 1.5 Marketing mix

There are various types of marketing mix such as 4P, 4C or 7P. The most common marketing mix is 4P which consists of product, price, placement, and propagation. A marketing mix is the combination of marketing tools thanks to which is company able to target stated its marketing goals (The Economic Times, undated).

Horáková (2003) describes the marketing mix by using model 4P. The model is providing a wider description of what is involved in each P of the mix - product, price, placement, and propagation. For example, a product can include quality, design or extra service attached to the physical form of the product.



**Figure 3: Marketing mix 4P** (Own processing; Kotler 2004)

### 1.5.1 Product

The word product is by Kotler and Armstrong (2004) described as simply everything, that can be consumed, used or exchanged for the purpose of satisfying needs. The product can be divided into three layers. The fundamental is the core of the product, the middle layer is about the product itself and the last layer can be described as an extended product.

The American Marketing Association (2023) describes a product as a mixture of tangible and intangible features. It can be a physical thing, idea, service or even a combination of them. The goal of the product is to exchange and satisfy.

### 1.5.2 Price

Price is a crucial part of the marketing mix as it is the only source of the company's income. The most common mistake while setting the price is that there are not included other parts of the marketing mix. The final price is influenced by the overall company's strategy, market position and competitive position on the market. Factors influencing price can be divided into external and internal. External factors cannot be influenced by the company itself and these are for example demand, competition, economic conditions, and legal conditions. Internal factors influencing the price include, for example, company's future goals, marketing mix, costs or the company's pricing policy (Hálek, 2023).

### **1.5.3 Promotion**

Promotion is the communication part of the marketing mix. Promotion purpose is to attract the customer with a goal of his or her purchase. It is important that promotion should be in line with product features, benefits, and the company's message. The promotion can be focused on building brand awareness, creating interest, providing information or differentiating offered products (Luenendonk, 2019).

### **1.5.4 Place**

Place, placement, or distribution represents the act of passing the product to customers (American Marketing Association, 2017). It is the way how and where is the product bought. Effective placement is core for reaching the right target at the right time. It depends on where the stock is, which distributing channels are used and whom the company wants to target (Luenendonk, 2019).

## **1.6 Communication mix**

According to Karlíček and Král (2011), the communication mix is composed out of seven main communication disciplines. Each company has different proportions of the individual components of the communication mix. Thanks to the optimal combination of the individual parts of the communication mix, the company is able to achieve its marketing objectives. Communication disciplines are personal selling, advertisement, sales promotion, event marketing, direct marketing, and public relations with a central part of online environment communication.



Figure 4: Communication mix (Own processing; Karlíček 2011)

## 1.7 Social media marketing

Nowadays, social media become one of the most effective digital marketing channels. Social media serve as an inspiration, entertainment and probably most importantly, a tool for a company's competitiveness. There is an increasing number of social media users as well as increasing consumer shopping via social media. In the year 2022, social media spending has increased by up to 230 billion U.S. dollars. According to the forecast, the spending will increase up to 300 billion U.S. dollars in the year 2024 (Dencheva, 2023).

As Statista (2022) presents in chart 1, the leading digital marketing channel among its respondents is social media, with 44 % proportion, email marketing is still popular among 35 % of respondents. From selected categories, the less popular digital marketing channel in the year 2022 were virtual events with 25 %.

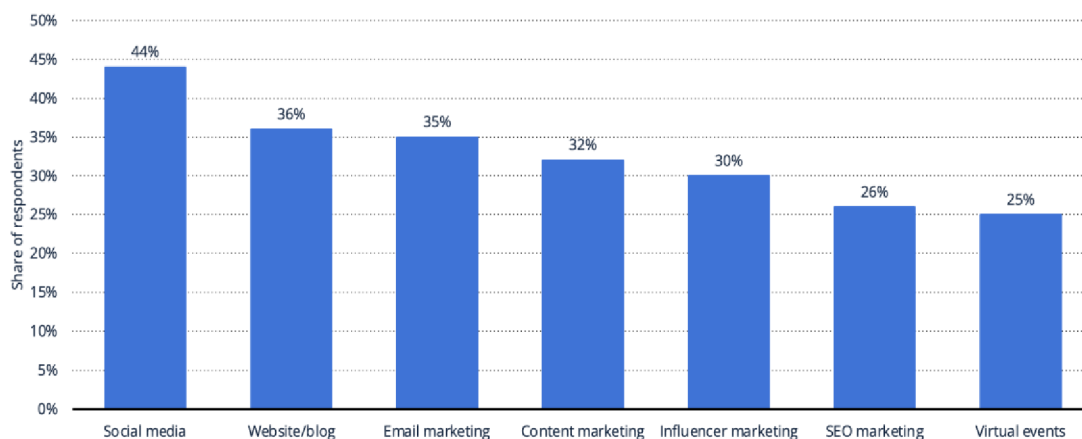


Chart 1: Leading digital marketing channels (Source: Statista 2022)

In the year 2022, the average daily social media usage worldwide increased to 147 minutes per day. The reason for using social media differs across age groups. Users tend to find funny content, share photos, and stay updated. The main reason is simple, to stay in touch with family and friends even online (Dixon, 2022).

In the year 2015, the Philippines was the country with the highest average time spent on social media, almost 3 hours per day (Cateora et al, 2019). The leading position did not change even in the year 2022, the average time spent on social media increased to almost four hours in the Philippines (Dixon, 2022).

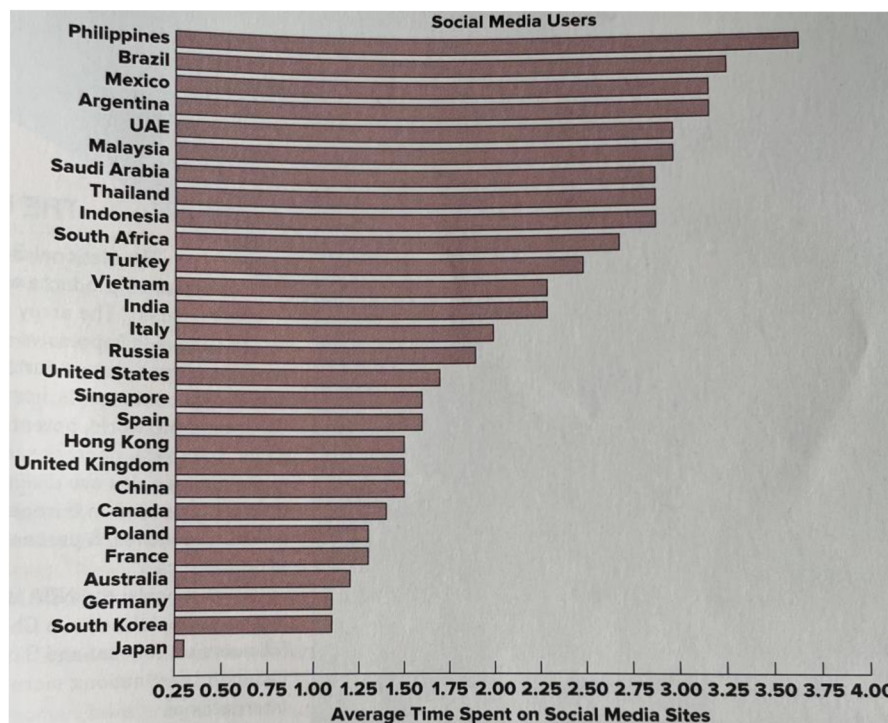


Chart 2: Social media users and time spent (Cateora 2019, page 521)

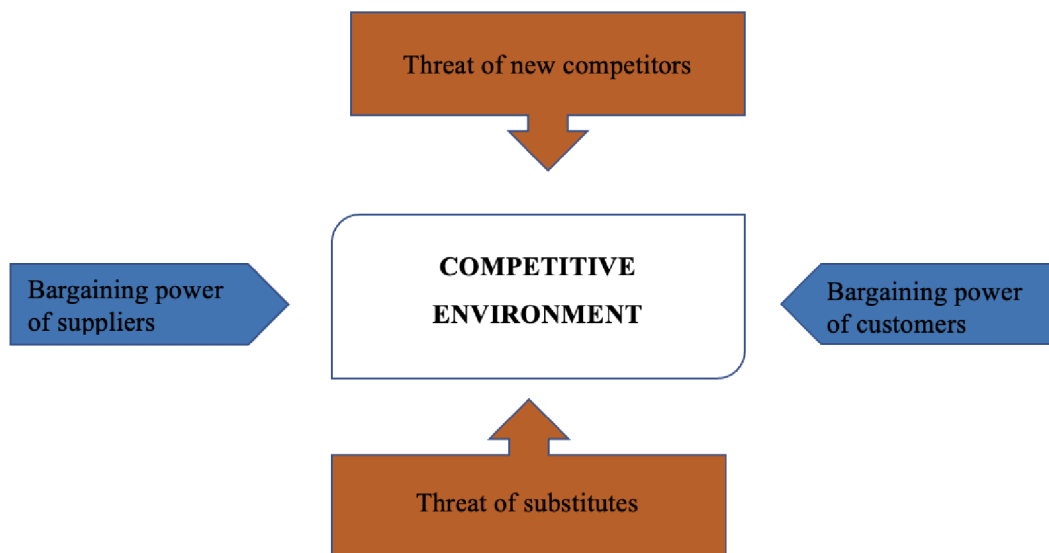
## 1.8 Marketing environment

The company's marketing activities are influenced by the marketing environment. This environment is constantly changing and can be divided into external and internal marketing environments. It helps a company to identify opportunities, and threats and manage changes. The basic features of the marketing environment are typically dynamics, relativity, uncertainty, and complexity (Udoagwu, 2022). There is various analysis which can be used for analyzing a company's marketing environment.

### 1.8.1 Porter's Five Forces

Porter's Five Forces analysis helps the company to understand the environment in which it operates. It helps to identify forces which influence the future development of products and services. Five forces which should company keep in mind are Competitors, New entrants in the market, Suppliers, Customers, and Product Substitutes. If it is the company able to identify these five forces, it is as well able to customize its strategy and be able to increase its competitiveness on the market (Sedláčková, Buchta, 2006).

As Keřkovský, Vykypěl (2006) mention, Porter's analysis is an external analysis which should be focused on trends development, and how will be analyzed situation developed in a whole strategy time manner.



**Figure 5: Porter competitive model** (Own processing; Keřkovský, Vykypěl 2006)

The goal of Porter's five forces analysis is to create a profitable and in the long-run sustainable position on the market. The competitive advantage arises from the value which can company create for its customers, for what are customers willing to pay (Porter, 1993).

According to Jakubíková (2013) is the company's behaviour influenced not only by the competitive space in which the company operates but as well by customers' behaviour, existing substitutes, suppliers, and new potential entrants on the market. These can be called as five dynamic competitive factors.

## 1.9 SWOT analysis

SWOT is the shortage of beginning letters from the words Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses can be influenced by the company, on the other hand, opportunities and threats cannot be directly influenced by the company itself (Karlíček, 2018). Jakubíková (2013) says, that it is better to start with OT part as there are analyzed opportunities and threats from the external environment. SW part is then focused on an internal analysis of the company's strengths and weaknesses.

**Table 1: SWOT analysis matrix** (Own processing; Blažková 2007)

	Strengths	Weaknesses
Opportunities	<b>S-O</b> strategy	<b>W-O</b> strategy
Threats	<b>S-T</b> strategy	<b>W-T</b> strategy

Explanation of table 1 above according to Zamazalová (2009):

- *S-O* means that the company's strengths and opportunities in the external environment prevail,
- *W-O* means that the company overcome weaknesses to pursue its opportunities,
- *S-T* means that the strategy of strengths and threats of the company dominates in the external environment and thanks to the strengths are a company able to overcome these external threats,
- *W-T* means that the company's weaknesses and threats from the company's external environment prevail.

### 1.9.1 OT part

OT part is usually created by results from external analysis such as SLEPT or Porter's Five Forces (Hanzelková, et al., 2009). As the opportunity can be for example categorized high budget for marketing activities as it is something which can improve a company's reach and it can lead to a stronger company competitiveness in the market. On the other hand, threats are situations with negative impact, companies should react as soon as possible in order to destroy or at least to minimize the impact of threats (Blažková, 2007).

## **1.9.2 SW part**

SW part consists of strengths and weaknesses of the company, it evaluates its influence on the company. The strength of the company can be for example seen in the dominant position in the market. In contrast, weakness can be insufficient business performance in a long run (Blažková, 2007).

## **1.10 Theoretical background summary**

The theoretical chapter of the thesis has provided theoretical background connected with the diploma thesis topic. There were described basic terms connected with marketing, international marketing, and social media marketing. As we are in a digital age, there were described marketing trends as well. For example, Influencer marketing, social media becoming a service trend or the increasing popularity of the TikTok platform. From the theoretical point of view were described few marketing strategies together with the marketing mix 4P – product, price, promotion, and placement. Followed by a description of the communication mix, and marketing environment, including Porter's Five Forces explanation. The theoretical part is concluded with the description of the SWOT analysis which is presenting strengths, weaknesses, opportunities, and threats. There are provided various graphs and models for a better understanding of the topic as well as for supporting stated facts from theory.

The acquired knowledge from the theoretical part of the thesis will be applied in the analytical part of the thesis, which concerns the current situation. The current situation including the analyses is applied to the Czech company Czechdesign, where this thesis is conducted.



## 2 CURRENT SITUATION ANALYSIS

### 2.1 Company introduction

Company Czechdesign with its full name Občanské sdružení CZECHDESIGN.CZ was established in 2003, firstly as the student project which purpose was to use design for better living. In the year 2014 was company entered into the public register in the legal form of the association. Nowadays is Czechdesign professional organization creating huge community which is connecting people with common interest – Czech design. Currently, the company Czechdesign is selling designer products from more than 130 designers from Czech and Slovak Republic (Czechdesign, 2021).



Figure 6: Business logo of the company (Source: Czechdesign.cz, 2021)

### 2.2 Organizational structure

As it was mentioned above, company was established in 2003, in the year 2014 it was entered into the public register in the legal form of association. There are currently 18 core employees and more than 30 people working as an external employees.

There is no given formal organizational structure in the company. There are of course some leading positions, but these are in balance with others, to create equal and friendly environment in the offices. Informal environment inside offices is supported by that everybody says *Ahoj* to other employees or externals in the offices and in the shop as well. Main positions in the company Czechdesign are:

- Jana Vinšová – CEO
- Radim Tuček – Strategic director
- Dita Plicková – Czechdesign shop manager
- Veronika Pařízková – Editor in Chief, Czechdesign magazine
- Aneta Macolová – PR and marketing communication

## **2.3 Scope of the business**

The scope of the company Czechdesign is quite wide and can be divided into six main categories which will be then described in more details (Czechdesign, 2021). Namely these, six categories are:

- Advice to companies and public institutions,
- Competitions,
- Czechdesign magazine,
- Czechdesign shop and e-shop,
- Educational projects,
- Czechdesign podcast.

### **2.3.1 Advice to companies and public institutions**

Czechdesign offers personal consultations to companies which want to start working with designers, but they are missing know-how. Czechdesign is here to help approach these designers and find common ground.

### **2.3.2 Competitions**

Czechdesign is the largest organizer of design competitions in the Czech Republic. The company organizes competitions for both, public and private companies. They are able to help with visualization, promotion, and organization. It is up to the company which wants to organize competition if they are looking for a full package or need any kind of help in the specific field.

### **2.3.3 Czechdesign magazine**

The Czechdesign magazine is the most read and oldest magazine in the Czech Republic in the field of design. The biggest group of readers is design professionals and architects. Magazine at the same time serves as an opportunity for young designers and small brands together with students for whom there is a possibility of internship in the editing team. It helps readers to orient in the field of Czech design and follow interesting news and trend on the world designer scene.

### **2.3.4 Czechdesign shop and e-shop**

Czechdesign shop is located on the street Myslíkova, close to the Mánes gallery in Prague. The purpose of the shop is to offer local designers, their products and support them in future development and work environment. The main advantage is that the company Czechdesign communicate directly with designers and that is why there is a shorter waiting period for products and price margin while buying both online via e-shop or offline in the showroom. Currently, Czechdesign cooperates with more than 130 designers or brands and shipment is realized within 27 countries. Express delivery in Prague included.

### **2.3.5 Educational projects**

Czechdesign prepares various events for not only professionals but for the general public as well with the goal to introduce design as a practical tool for communication or marketing. The company organizes events, lectures, workshops, and exhibitions.

### **2.3.6 Czechdesign podcast**

The podcast is the newest project of the company Czechdesign. It started in 2019 as the creative environment for interviews between Czechdesign magazine editors and Czech designers. The goal of the podcast is to introduce designers, brands and show listeners “how it all works” in the field of design and manufacturing in the Czech Republic. There is a new episode each month.

## **2.4 Marketing mix analysis 4P**

The 4P marketing mix was selected in order to analyze the Czechdesign business. Product, price, placement, and promotion will be analyzed and described.

### **2.4.1 Product**

As it was mentioned above, the company Czechdesign scope of business consists of six key parts. Czechdesign is organizing a wide range of design competitions, releases its online magazine about news (not only) from the Czech design environment, has its own e-shop and brick-and-mortar showroom/shop in Prague, creates various educational projects, and not to

forget, Czechdesign is as well recording its monthly podcast. For the purpose of this diploma thesis, I am focusing on the Czechdesign e-shop and shop, the place where the company meets its customers and sells Czech designer products. Sales are worldwide as we can say from previous analysis of e-shop international orders through the years 2021 and 2022. Most of the products are offered via e-shop or in the shop in Myslíkova, Czechdesign here serves as a reseller directly from designers or small companies. Nowadays the company sells products from more than 130 various designers and brands.

There is a special selection of products called Czechdesign collection which is based on designs directly made by the company Czechdesign, see figure 7 below. Such as cups, shirts, posters or currently the newest product, potholders. These products can be bought via Czechdesign e-shop or directly in the shop and can be bought as a stylish modern souvenir made in the Czech Republic. The Czechdesign collection can be purchased not only in Prague but also in the TIC center in Brno thanks to the Brno mug, which depicts famous sight from Brno, in a design form created by Czechdesign. The farthest place where products from the collection are currently sold, and thus targeting foreign clientele, is the Czech Concept Store in Paris.



**Figure 7: The Czechdesign collection** (Source: Own processing)

As the name of the company suggests, the main focus is on selling Czech design products. Nowadays, in the shop, there are various designers products from Slovakia as well. The portfolio of the company's offered products can be divided into seven main categories,

according to the e-shop sections. These categories are Jewelry, Fashion and accessories, Backpacks and bags, Dining, Home accessories, Toys, and Books and stationery.

### Jewelry

In this category are offered rings, necklaces, earrings, brooches, and men's jewelry. In the category of jewelry should be as well included Czechdesign "sister" project called *Snoubení*. It is a special category where are listed engagement and wedding rings. Customers are here able to customize used materials, final touches or the type of stone on the ring. *Snoubení* has no special e-shop, it is accessible directly via the Czechdesign e-shop.

### Fashion and accessories

In this section, there are various sub-categories such as wallets, handbags, shirts, glasses, hats, socks, belts or even design accessories for dogs and cats. Speaking about accessories, here is the main focus on using high-quality materials with which are designer working. The most common is leather, 100 % cotton with certificates of sustainability and biological resources.

### Backpacks and bags

In this section are offered various types of backpacks, bags, and waist bags. See figure 8 as an example of the e-shop category layout. Currently, in this category, Czechdesign sells products from various designers such as BRAASI, Playbag, ProjectBagGirls or from own Czechdesign's collection.

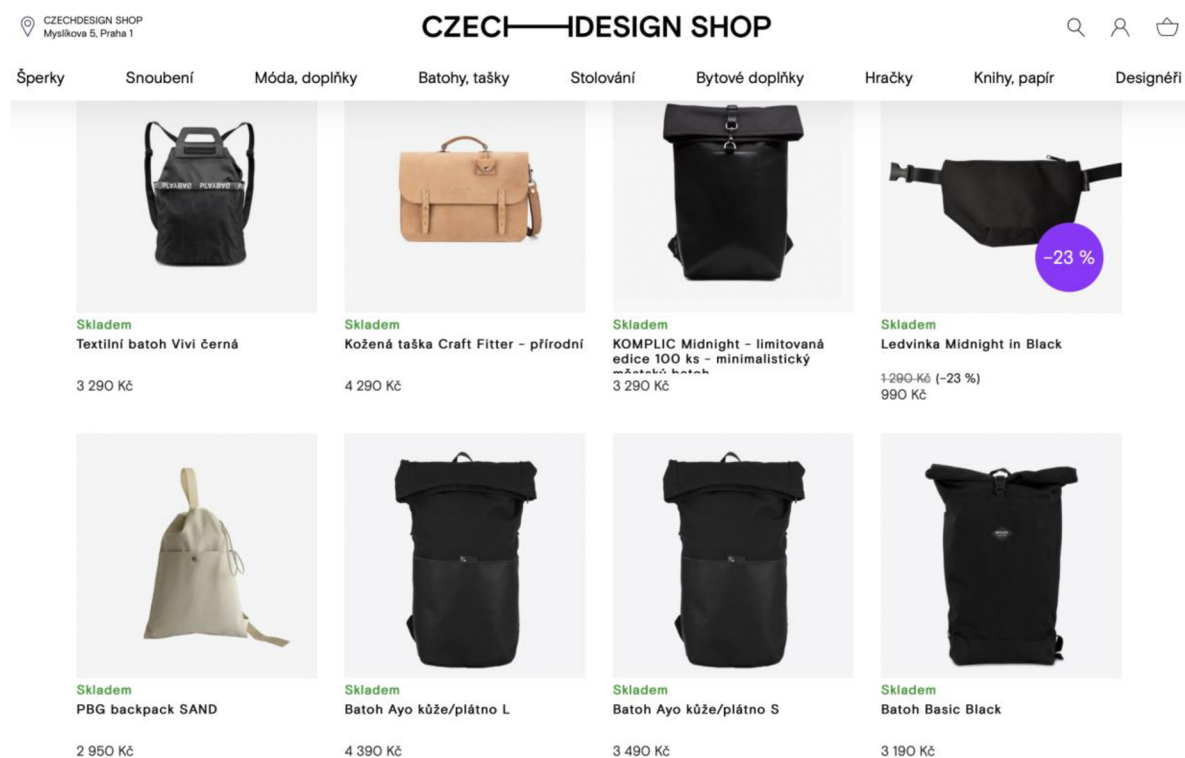


Figure 8: Backpacks and bags layout example (Source: [www.shop.czechdesign.cz](http://www.shop.czechdesign.cz))

### Dining

In this section are sold products such as plates, mugs or cups, and glasses. In the dining, there is a sub-section called *cibulák*, a Czech national blue and white pattern that has been brought back to life thanks to the designer Jiří Pelcl. In this section are as well included various products from Czechdesign collection.

### Home accessories

This category offers vases, posters, home textiles or Christmas decorations. Especially sub-category Christmas decorations is very popular as Czechdesign offers both, traditional glass decorations as well as modern minimalistic design for decorating Christmas tree.

### Toys

Czechdesign believes that even toys for children can be a piece of design and that is why the company offers various types. There are offered traditional brands such as KOVAP from Semily or brand FATRA which were famous in the 70s of the 20th century for inflatable toys.

### Books and stationery

The last e-shop category offers a wide range of books related to the topic of Czech design, architecture, or kids' books. There are some books offered in the English language as well. Czechdesign would like to restart the tradition of sending greeting cards and congratulations by offering original slogans and designs from brands such as Papelote or Chaukiss.

## **2.4.2 Price**

Czechdesign currently cooperate with around 130 Czech and Slovak designers. Mutual satisfaction is essential when speaking about price. When I spoke with Dita Plicková, manager of Czechdesign shop, she mentioned that the level of margin highly depends on the product type, material, designer and so on. Because of that it cannot be generalized. Plicková explained that there are generally two ways how pricing is done in the company Czechdesign. Firstly, commission sales are done when Czechdesign cooperate with new designer, or the designer is having a new collection/new product. Before Czechdesign finds out whether the product will sell successfully, the cooperation with designer is often half-hearted. Secondly, there are designers who do not prefer commission sales and therefore they have a modified price list of their products. The most common is that Czechdesign buy most of the products directly – meaning that Czechdesign is taking the risk of sales. As the risk is higher, there is direct influence of the margin level for sure.

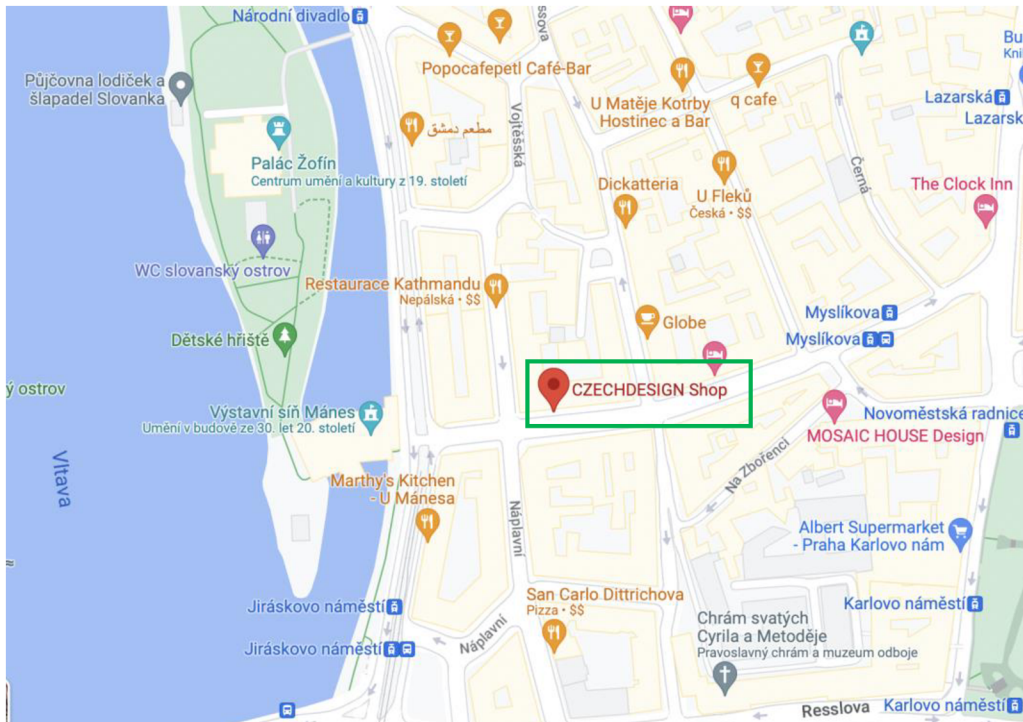
In order to be a successful retailer and at the same time a reliable partner for designers, Czechdesign brick-and-mortar shop is located in Myslíkova where Czechdesign is paying rent + energy costs. Of course, the backup of the shop is created by quite big team – not only salespeople but also marketing experts, photographers and other external experts as well. To ensure that products of Czech and Slovak designers reach as many customers as possible, there are invested hundreds of thousands a year in marketing support, especially in social media. There are various articles and interviews about our designers for our magazine, which is the most read design website in the Czech Republic, there is constant focus on improving e-shop functions, there is cooperation with UX designers to make it as user friendly as possible. There are organized various pop-ups where the space is given to designers and producers that are not yet included in Czechdesign's portfolio. Employees are constantly educated to do their job in the best possible way. There is also increasing price in the field of logistics, packaging, and shipment fees.

In short, the company spend a lot of resources to provide customers with perfect service and sales conditions. Logically, all these aspects are included in pricing and can be developed and improved thanks to the margin.

Thus, Czechdesign profit is not the percentage of margin, but only a small part of it that remains after accounting for everything that is necessary for a successful sale. Sometimes, the margin percentage is also connected with the fact that Czechdesign shop is a VAT payer and many of individual designers are not. Czechdesign tries to visit designers regularly, if possible, especially those based in Prague and often discuss the cooperation in person.

### **2.4.3 Placement**

Czechdesign opened its own brick-and-mortar shop in the year 2020. How it was already mentioned above, Czechdesign shop is located in a vivid part of Prague, street Myslíkova. Close to the National Theatre and Mánes gallery. See figure 9 to see exact location. The working hours are Monday-Friday from 11am to 7pm, during the weekend and bank holidays its opened from 10am to 6pm. Customers can visit the shop by walk from the city center or by various type of public transport. There are a few trams stops within a short walking distance.



**Figure 9: Czechdesign shop location** (Source: [www.maps.google.com](http://www.maps.google.com))

There are two window displays. One is dedicated to pop-ups, usually monthly presentation of new designer or products. See figure 10 for pop-up example. It was in collaboration with Johan Pertl and Ondřej Stára in March 2022.



**Figure 10: Pop-up example** (Source: Czechdesign, 2022)



Second one is dedicated to visual presentation of offered products. There is usually given theme of the window display, for example Christmas, Spring, Czech Republic celebration and other topics which can be eye-catching for potential customers.



Figure 11: Czechdesign shop - Myslíkova (Source: Own photo)

#### 2.4.4 Promotion

Offline and online visibility is essential for all businesses. Finding an effective promotion style and strategy is the key in order to increase and maintain customer loyalty in a long run. Offline promotion is done in the brick-and-mortar shop as it was described above. Online promotion is done by company's social media Facebook and Instagram. See figure 12 for Czechdesign's Instagram profile layout.

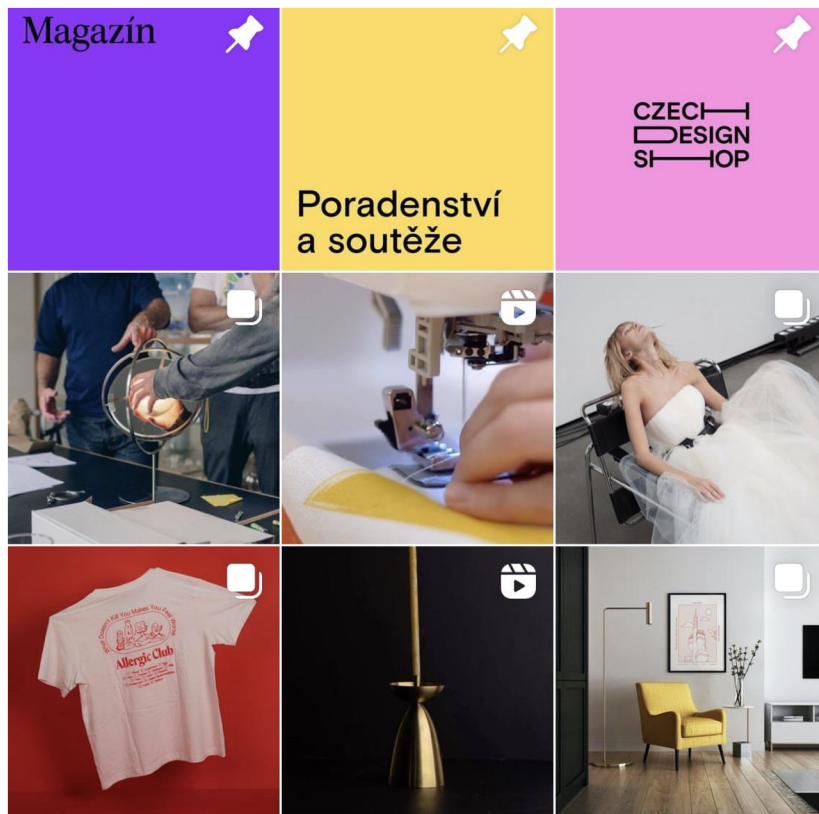


Figure 12: Instagram profile layout (Source: [www.instagram.com/czechdesign.cz](http://www.instagram.com/czechdesign.cz))

There is as well monthly newsletter which is send via email to its subscribers. Newsletter is always in a cooperation with chosen designer who is recommending his or her favorite article from magazine from previous month as well as specific products or designers from Czechdesign e-shop.

## 2.5 Competitive analysis of the market environment

For the analysis of the competitive environment will be used methodology of five forces according to the Porter analysis which examines the microenvironment of the company. The analysis deals with five forces which are influencing the company's environment. These five categories are already existing competitors in the industry, risks connected with new entrants on the market, suppliers, customers, and available substitutes of the product.

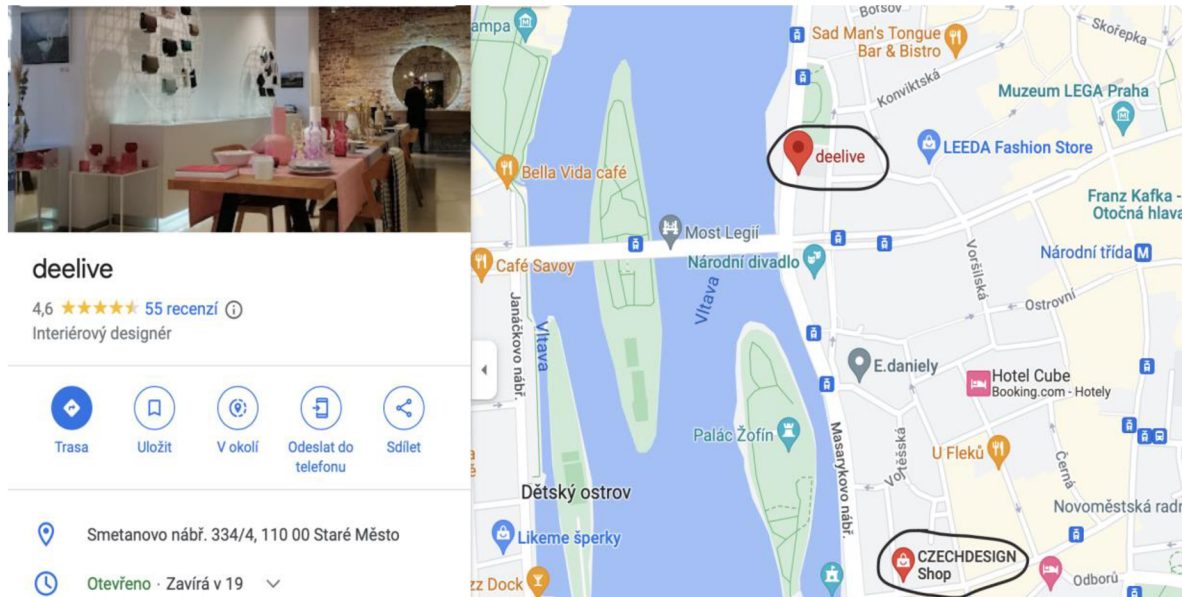
### 2.5.1 Existing competitors

According to the research among Czechdesign employees in the shop, there are various types of competitors. In Prague there is a huge number of specialized showrooms, galleries, and designer shops. When comparing the concept of Czechdesign shop itself, its wide range of

offered products, and various designers, there were identified three main current competitors in Prague according to the employees' confirmation.

### Delivee

Delivee is the first competitor as it is the closest design shop to the place where the Czechdesign shop is located. The location of Delivee and Czechdesign can be seen in figure 23 below.



**Figure 13: Deelive and Czechdesign shop** (Source: Google maps)

As Delivee mentions on its website, it is the biggest design store selling Czech design in Central Europe. According to the size of the shop – almost 200m<sup>2</sup> – could be. The store is located in a building called Smetana Q where are located other showrooms and café as well. Opening hours are daily from 10:00 to 19:00, weekends included. On Sunday it is a bit shorter, the shop is open from 10:00 to 18:00. Delivee is offering a wide range of products from different categories such as interior decorations, fashion, jewelry, backpacks and so on. As they mention, they have their own collection of products as well, in cooperation with Czech designers. There is no common design or theme in the collection, there are various products included. Such as glasses, furniture, home decorations or lamps.

When analyzing Delivee's Instagram profile, there are currently 4120 followers. On the Facebook page, there are 2300 followers. All social media are provided in the Czech language only. I think that the biggest advantage of Delivee store is that the whole webpage and e-shop included, is in English language, and prices in € are there as well. Thanks to that they can serve various customers and tourists visiting from abroad and make offered products more accessible.

## Artisème

Artisème is located very close to the famous John Lennon Wall at Malá Strana. The word artisème is composed of two words – artisan and bohème. Its biggest advantage is the space itself, Velkopřerovský Palác offers three different “rooms”, each with a different atmosphere. Opening hours are daily from 10:00 to 19:00, weekends included. There is a huge inside garden as well. Artisème Venue - the garden, is an excellent space for marketing events and that is what Artisème does. There are various workshops, exhibitions, yoga classes or there is even a possibility to have a wedding there.



**Figure 14: Artisème shop** (Source: [www.insidecor.cz](http://www.insidecor.cz), 2019)

Artisème is offering a wide range of designer products from Czech designers, they are selling glass, jewelry, fashion, home decorations and many others. When considering the pricing, the Artisème shop is quite expensive. The most expensive is the Botanical Garden wall mirror with its price 145 000 CZK (Artisème, 2023).

The whole webpage and e-shop are easily accessible in the English language, it is very user-friendly and minimalistic at the same time.

Artisème’s Instagram profile has almost 9 500 followers and the whole profile is mainly communicated in the English language as the webpage is. Photos on the profile are on a high professional level and the concept of a profile makes sense as a whole with its brand identity.

### Qubus design studio

Brand Qubus was established in 2002 by Jakub Berdych together with Czech famous designer, Maxim Velčovský. The design studio is located in Praha 1. Opening hours are Monday to Friday, 10:00-18:00, and no weekends. The purpose of a brick-and-mortar shop is to present contemporary and conceptual Czech design in an entertaining and funny way as they mention. Several now iconic design products, collections and works have been created under the Qubus brand. Qubus products are characterized by their humor and search for new meanings and contexts (Qubus, 2002).

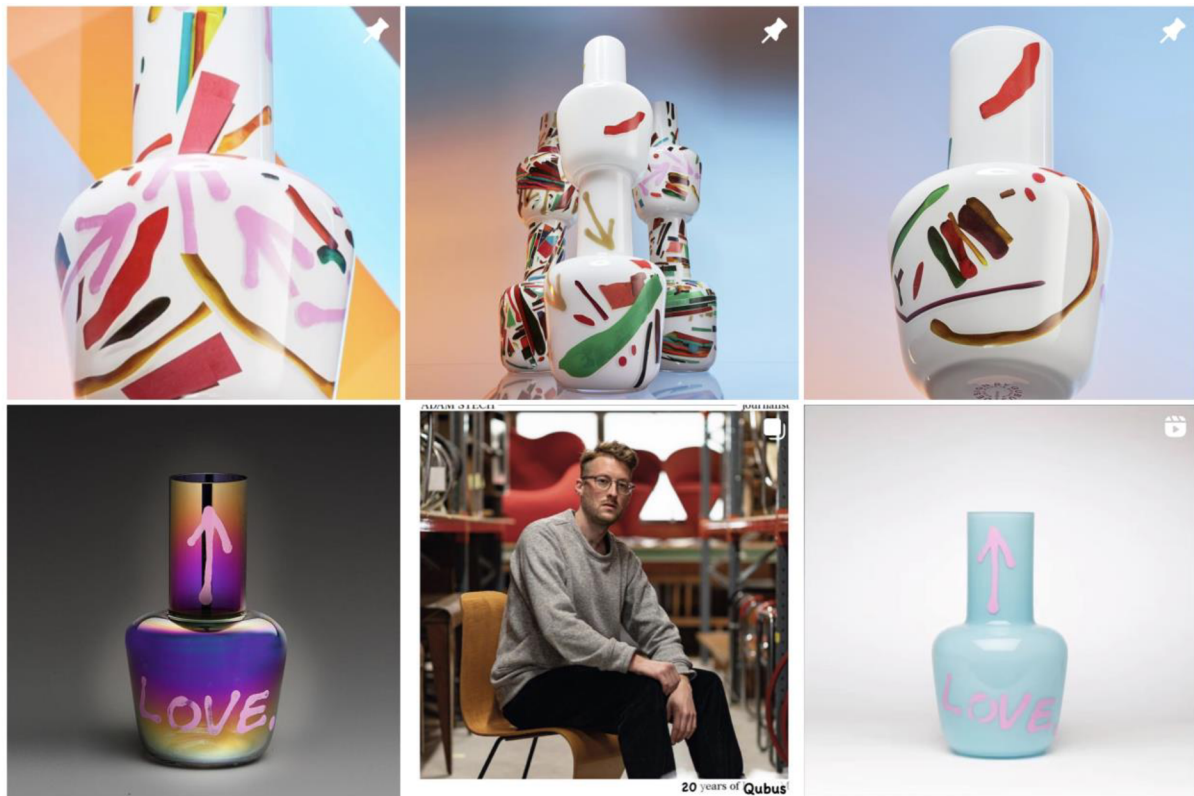


Figure 15: Qubus Instagram profile layout (Source: [www.instagram.com/qubusdesing](https://www.instagram.com/qubusdesing), 2023)

The whole webpage and e-shop are easily accessible in the English language. Qubus has an Instagram profile with almost 2 800 followers. There are mainly professional photos, focused on product representation. The Instagram profile layout can be seen in figure 25 above. The communication there is done in the English language as well mainly focused on products description.

### **2.5.2 New entrants on the market**

When considering how many showrooms, galleries and designers' shops are located in Prague, from the point of view of Dita Plicková, Czechdesign shop manager, there is no threat

connected with new market entrants. Currently, there is no shop that sells such a variety of brands and designers as Czechdesign does. With more than 130 options available, Czechdesign's broad portfolio is a great competitive advantage over not only identified competitors mentioned above. This can be further supported by the fact that at the end of last year two brands sold by Czechdesign opened their brick-and-mortar stores on the same street. These brands sell better on the Czechdesign's e-shop than in a brick-and-mortar store and according to Dita Plicková - shop manager, this may be one of the reasons why the sales success of these two brands has not changed.

### **2.5.3 Suppliers**

A few times mentioned, the company Czechdesign is focusing on selling local designers' products. There is as well a focus to promote small brands or talented designers who want to increase their customer base. Currently, there are around 130 brands which can be considered suppliers. Since Czechdesign offers so many brands and designers, there is not so much price pressure from suppliers on Czechdesign. In other words, if a designer decides to significantly increase the selling price of his or her products, it will not affect the business of Czechdesign that much. This gives the company freedom in choosing future collaborations and flexibility in selecting new suppliers - designers.

Thanks to the pop-up events that Czechdesign organizes can company decide, based on the feedback from the event, whether to include the brand or designer in its portfolio and establish long-term cooperation.

At the same time, Czechdesign emphasizes a friendly and fair approach to designers, so it is not surprising that special collaborations between Czechdesign and the supplier - designer often occur. This gives Czechdesign a strong competitive advantage, as the products created in the collaborations are not available anywhere else but in the Czechdesign shop or e-shop.

The most recent example of direct cooperation between Czechdesign and a designer is the collaboration of jeweler Zdeněk Vacek, who presented a collection of jewelry created directly for the company Czechdesign at a Valentine's Day event in the Czechdesign shop. See figure 26 for the pop-up event window design. For this event, a public Facebook event was created so that people could meet the jeweler Zdeněk Vacek in person.



**Figure 16: Zdeněk Vacek pop-up event** (Zdroj: Czechdesign, 2023)

When speaking about packaging, the company Czechdesign is focusing on sustainability and an ecological approach. Mostly, they are using "second-hand" packaging material when packing orders from the e-shop. Most of the time, these are boxes in which the goods came packaged directly from the designer, or even employees bring unused packaging material, which is then used to package customer orders. Around the Christmas period, there is regularly a high increase in the number of orders on the e-shop, so every year at this time Czechdesign invites its customers and social media followers to bring unused packaging material to the shop to help give the packaging material a new life.

#### **2.5.4 Customers**

The Facebook page manager and Instagram statistics reveal that most followers on both social media are women in two main age groups. Firstly, it is the age group between 25-34, followed by the second age group between 35-44 years old. These groups can be as well applicable to

the age range of Czechdesign's typical customers. The company's customers are usually people who are open-minded, and who are interested in Czech design, art, and general artistic culture. People who perceive value in Czech glass or other long-lasting products. Czechdesign is also offering designer toys and books for children, so there is a place for mothers with small kids as well. As the products are a bit pricy, there are not many customers in a teen age. A big part of customers are as well couples who are searching for a local wedding ring as there is well-known provided professional service regarding the wedding rings. This is thanks to the own Czechdesign's project called *Snoubení*.

According to the e-shop orders, most of the customers are people ordering from Prague which goes hand in hand with free personal pick-up in the brick-and-mortar shop. Currently, the delivery to the customer is done by Zásilkovna or DPP. Express delivery is possible in the area Prague 1 – Prague 10, provided by Liftago company.

### **2.5.5 Product substitutes**

The reason why are customers buying in a Czechdesign shop or e-shop is that they know what to buy. They want a particular product, they have favorite designer or simply, they want to support local brands and designers. Usually, the design matter more rather the product itself. Of course, with the current inflation rate, people tend to think more about what they are buying. Czechdesign is not a shop for daily or weekly shopping. It relates to a special occasion, celebration, or event. I would say that in the case of the Czechdesign store, it is not a substitute for a specific product but rather a substitute in the form of a competitor that sells the same product but has, for example, cheaper or faster shipping. Of course, if somebody wants to buy, let's say a mug, there are various brands selling mugs but in the case of designers' products, the design style implementation connected with a particular designer name is the thing which matters for customers.

### **2.5.6 Summary of competitive analysis**

The Porter Five Forces analysis was used to analyze the environment of the company Czechdesign. There were described three main competitors which were identified and approved by Czechdesing's employees. There was a focus on English accessibility of e-shop and social media communication and opening hours. A major competitive advantage is the broad portfolio of brands and designers that the company Czechdesign offers, on this basis no threat associated



with new entrants to the market has been identified. Suppliers’ – designers’ force was described and followed by customers’ description. Substitutes force was examined as well. The key findings regarding the competitors from the point of view of English language performance and opening hours are summarized into table 2 bellow. From the table we can see that the company Czechdesign is the only company which does not have either an e-shop or social media provided in the English language.

**Table 2: Summary of Porter analysis – competitors** (Source: Own processing)

Summary of competitor’s analysis						
Company name	English e-shop	English social media	Own products collection	Events for customers	Opening hours	Weekends open
<b>Czechdesign</b>	No	No	Yes	Yes	11:00-19:00	Yes
Delivee	Yes	No	Yes	No	10:00-19:00	Yes
Artisème	Yes	Yes	No	Yes	10:00-19:00	Yes
Qubus	Yes	Yes	Yes	Yes	10:00-18:00	No

## 2.6 Social media analysis

Social media are an important part of a company’s online performance. People want to follow, be updated, and buy online in the most comfortable way as possible. This chapter provides a quantitative analysis of the company’s social media from the point of view of age, gender, country, and city from which are followers coming from.

The quantitative method of collecting data was used for analyzing the company’s social media, Facebook page and Instagram profile. Nowadays, it is very important to be visible online and Czechdesing’s number of followers is speaking for itself. Currently, there are more than 52 000 followers on the company’s Facebook page and more than 43 000 followers on the Czechdesign Instagram profile.

What was surprising during quantitative research was finding out the current difference between Facebook and Instagram reach. I expected that there will be a higher reach of Instagram profile as is generally more used and becomes more and more preferred. As we can see from figure 13, I was mistaken, and the research proves me with new facts. I as well compared the difference

between November and December from 2022 as there are always significantly higher numbers of basically every indicator due to the Christmas shopping period.

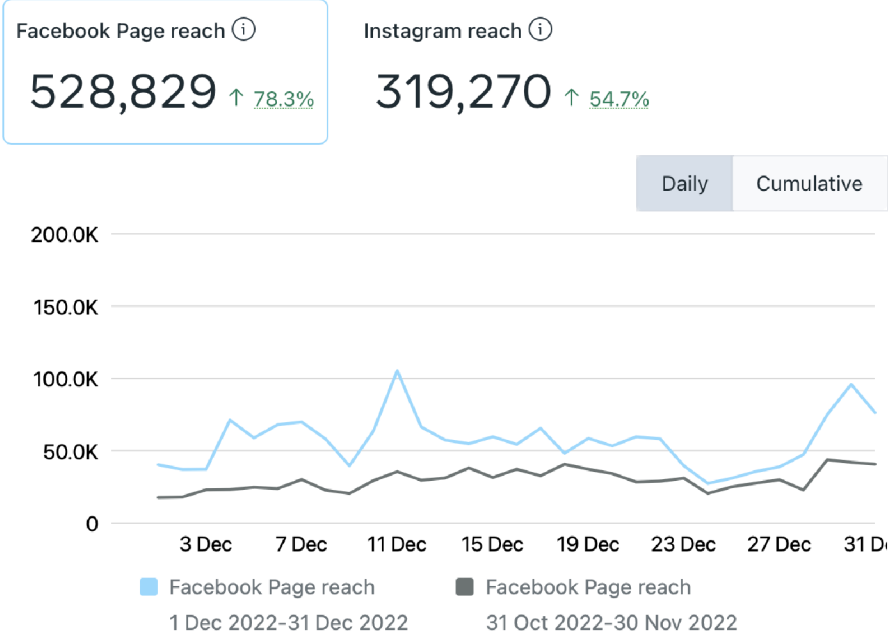


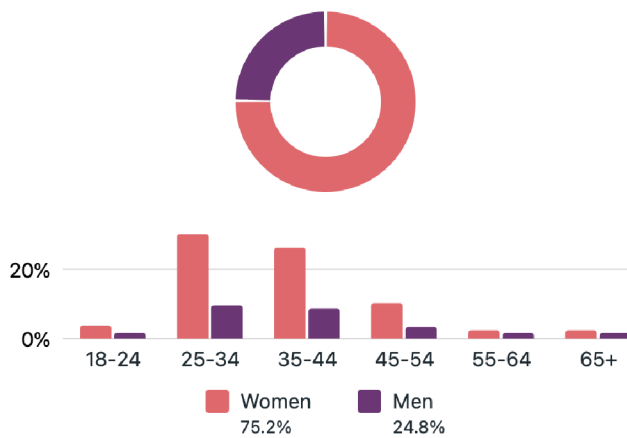
Figure 17: Facebook and Instagram page reach (Source: Facebook CZECHDESIGN)

### 2.6.1 Facebook

From figure 14 below can be seen the total proportion of Facebook followers on the Czechdesign profile. In total, there are more than 52 000 page likes. The figure illustrates a significant difference between women and men, there are almost three times more of women audience than men. When looking at the age group, the biggest proportion is between women aged 25 to 34, second place is the group between 35 and 44 years old, same age group applies to men.

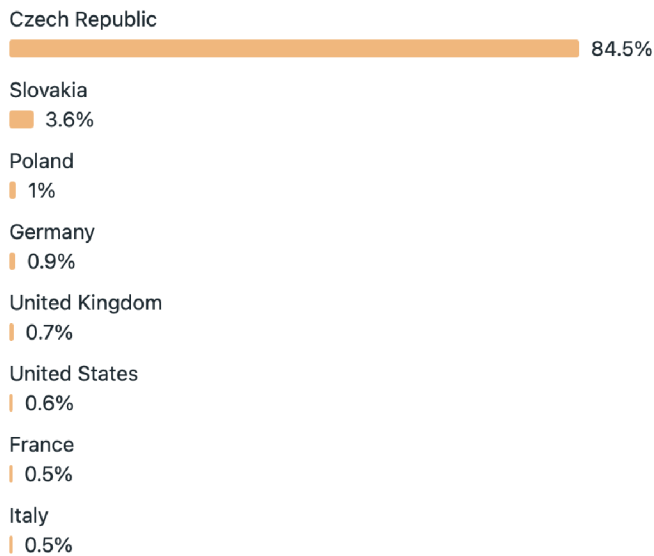
The result of the analysis is quite surprising to me as I expected that the first group will be the one between 18 to 24 years old, the youngest online generation always with a phone in their hands. The proportion between women and men is not that surprising as women tend to follow more pages connected with design, fashion, and lifestyle generally.

Age & gender ⓘ



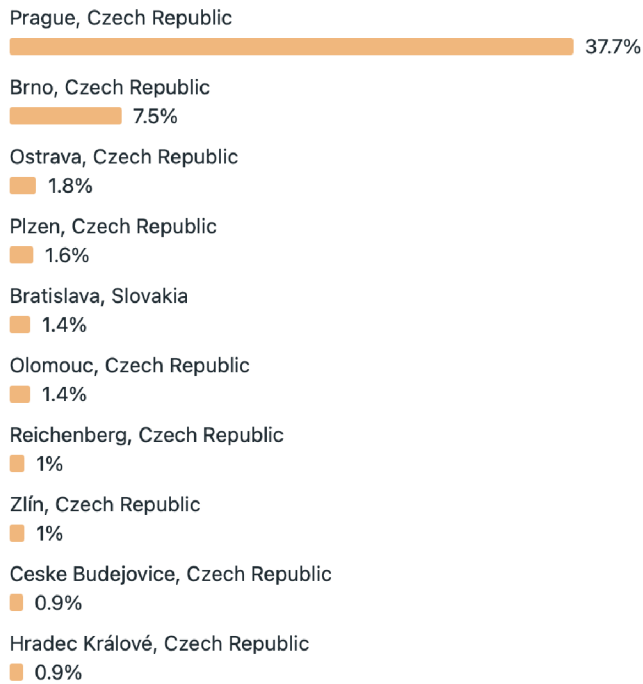
**Figure 18: Facebook audience proportion** (Source: Facebook CZECHDESIGN)

The next part of Facebook quantitative analysis was connected with the country and city from which are followers coming from. From figure 15 we can see that the biggest part of the followers is from the Czech Republic, and second place is the Slovak Republic. Other countries like Poland, Germany or the United Kingdom have the approximately same number.



**Figure 19: Facebook followers – countries** (Source: Facebook CZECHDESIGN)

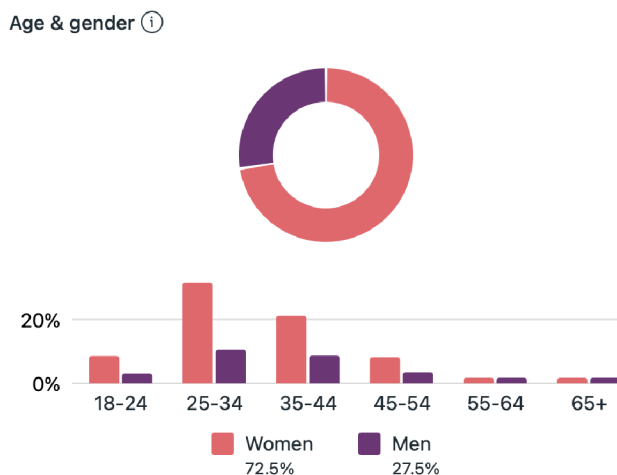
Figure 16 below illustrates the most frequent cities. It was not a surprise that the biggest part, almost 40 % are followers from Prague, second place with almost 8 % belongs to Brno and my hometown Hradec Králové is here with almost 1 % of followers.



**Figure 20: Facebook followers – cities** (Source: Facebook CZECHDESIGN)

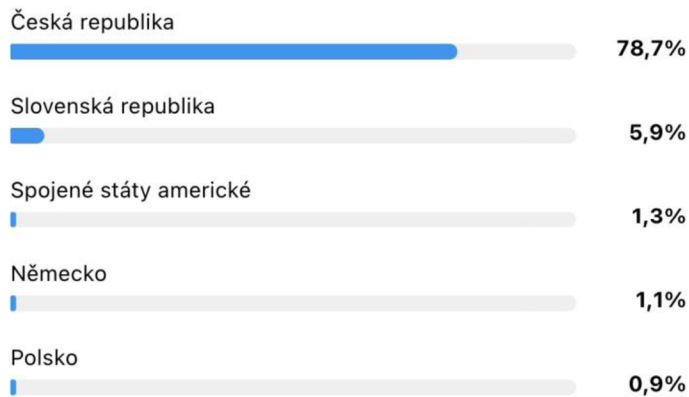
## 2.6.2 Instagram

From figure 17 below we can see the total proportion of Instagram followers on Czechdesign profile. In total, there are more than 43 000 page likes. As we can see, there is the same significant difference between women and men as it was on Facebook. There is almost three times more women’s audience than men. When we look at the age group, we can see that the biggest proportion is here as well between women aged 25 to 34, second place is the group between 35 and 44 years old, same age group applies to men. In this case, we can see that there is an increasing age group between 18 to 24 as Instagram is more and more popular among young, usually students.



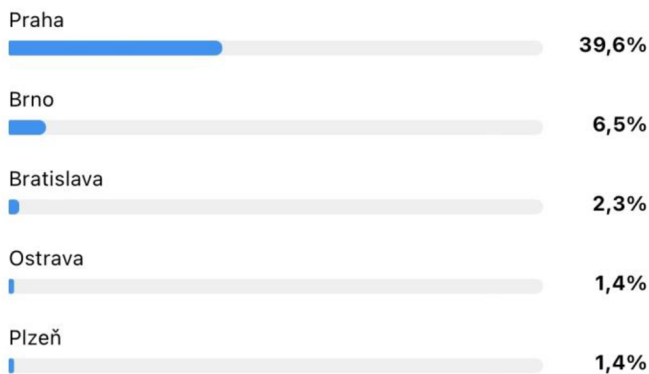
**Figure 21: Instagram audience proportion** (Source: Facebook CZECHDESIGN)

When analyzing followers' home country and city, there is a significant difference between Instagram and Facebook. From figure 18 we can see that the leading position still belongs to the Czech Republic but there is new country as well - USA with more than 1 %.



**Figure 22: Instagram followers – countries** (Source: Instagram CZECHDESIGN)

When comparing cities from which are followers coming, from figure 19 we can see that Prague take the first place, the second is here Brno as well. The change is here in the third position, Bratislava with more than 2 %.



**Figure 23: Instagram followers – cities** (Source: Instagram CZECHDESIGN)

### 2.6.3 Social media advertisement analysis

During summer 2022, there was realized paid social media advertisement – promotion video of a Czechdesign shop in Prague, Myslíkova. The language in which was the advertisement realized was English. The results of this international advertisement are analyzed in this chapter as it relates to Czechdesign's international audience on social media.

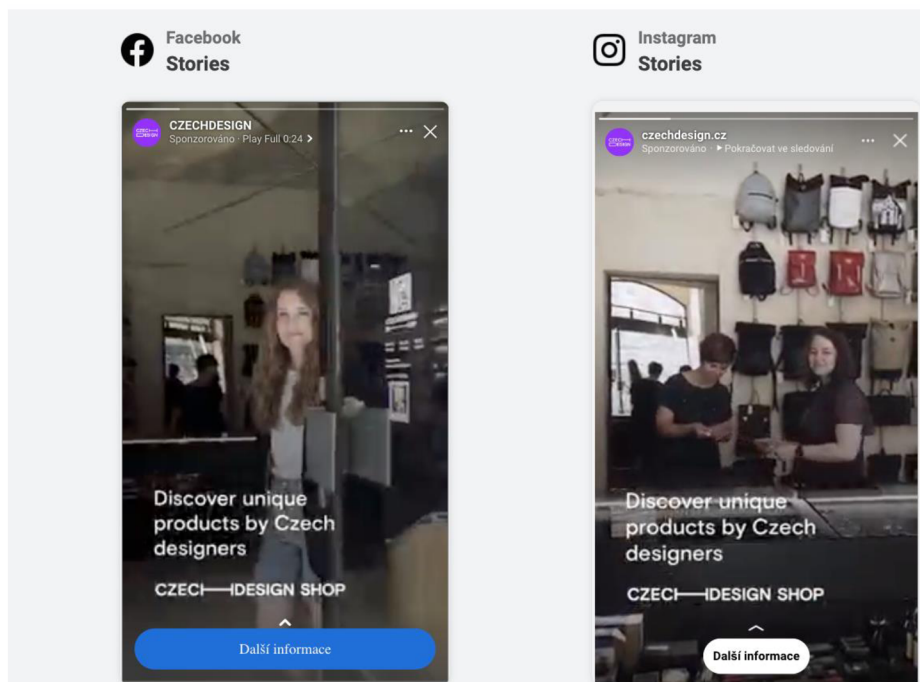
On figure 20 below we can see the advertisement layout on both Czechdesign's social media platforms – Facebook and Instagram, the advertisement was in a form of a short video, the so-

called reel format. In total, the promo video advertisement was a line-up to three different targets each with a different goal. These targets were:

- English-speaking tourists
- English-speaking expats (the person living outside their native country)
- Resident of Prague, Czech speaking

The main focus was on the company's Instagram profile performance with the advertisement adaptability to two types of devices – PC and mobile phone.

Náhled reklamy a komentáře · 2 umístění



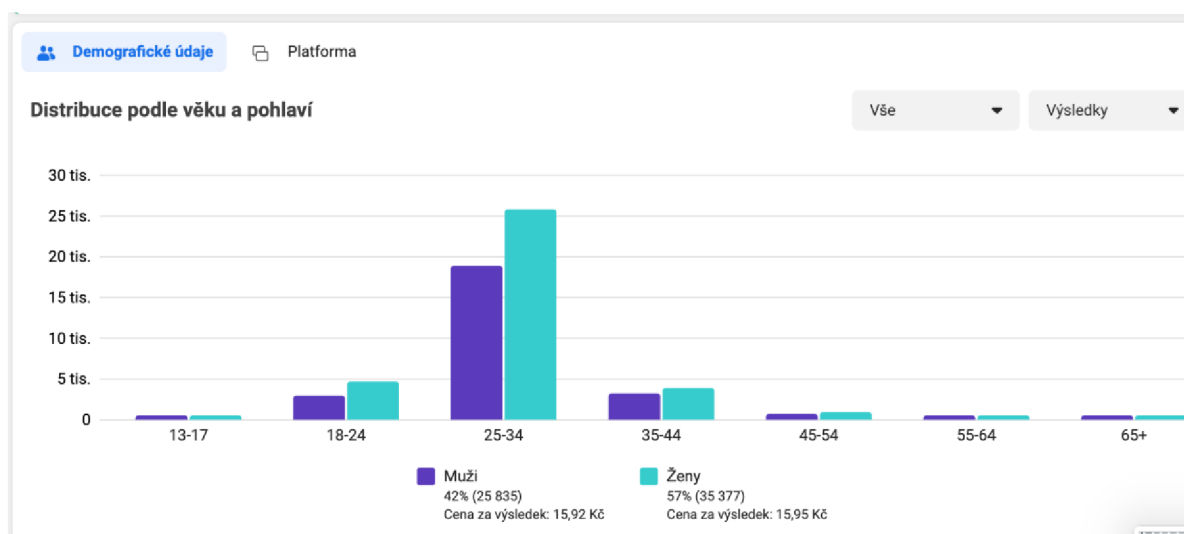
**Figure 24: Advertisement layout** (Source: Facebook Ads Manager, 2022)

The main focus was on the company's Instagram profile performance with the advertisement adaptability to two types of devices – PC and mobile phone. The results are presented in chart 3 below.



**Chart 3: Advertisement platform** (Source: Facebook Ads Manager, 2022)

Chart 4 is presenting gender and age group differences in the targeted audience. From chart, we can see that the biggest targeted group were women between the age of 25-34.



**Chart 4: Gender and age advertisement results** (Source: Facebook Ads Manager, 2022)

In total, English advertisement was active for three months according to the suggested settings by the Facebook ads manager. The total cost for three months advertisement was 7 034 CZK. Total results including the advertisement reach are presented in figure 21 below.

Sada reklam	Poslední výrazná úprava	Nastavení atribuce	Výsledky	Dosah	Zobrazení	Cena za výsledek	Vydaná částka	Konec	Plán
Turisti ENG	2. 8. 2022 16:53 Před 214 dny	7denní kl...	112 242 Zobrazení	25 944	112 242	16,08 Kč Za 1000 zobrazení	1 804,75 Kč	Nepřetržitě	21. 7. 2022 – nepřetržitě
Expatri ENG		7denní kl...	154 844 Zobrazení	27 064	154 844	15,49 Kč Za 1000 zobrazení	2 398,63 Kč	Nepřetržitě	21. 7. 2022 – nepřetržitě
Pražáci CZ		7denní kl...	183 392 Zobrazení	30 536	183 392	15,44 Kč Za 1000 zobrazení	2 831,53 Kč	Nepřetržitě	21. 7. 2022 – nepřetržitě
<b>Výsledky z ...</b>		<b>7denní kl...</b>	<b>450 478</b> Zobrazení	<b>45 288</b> Účty v Centru účtů	<b>450 478</b> Celkem	<b>15,62 Kč</b> Za 1000 zobrazení	<b>7 034,91 Kč</b> Celková výdaje		

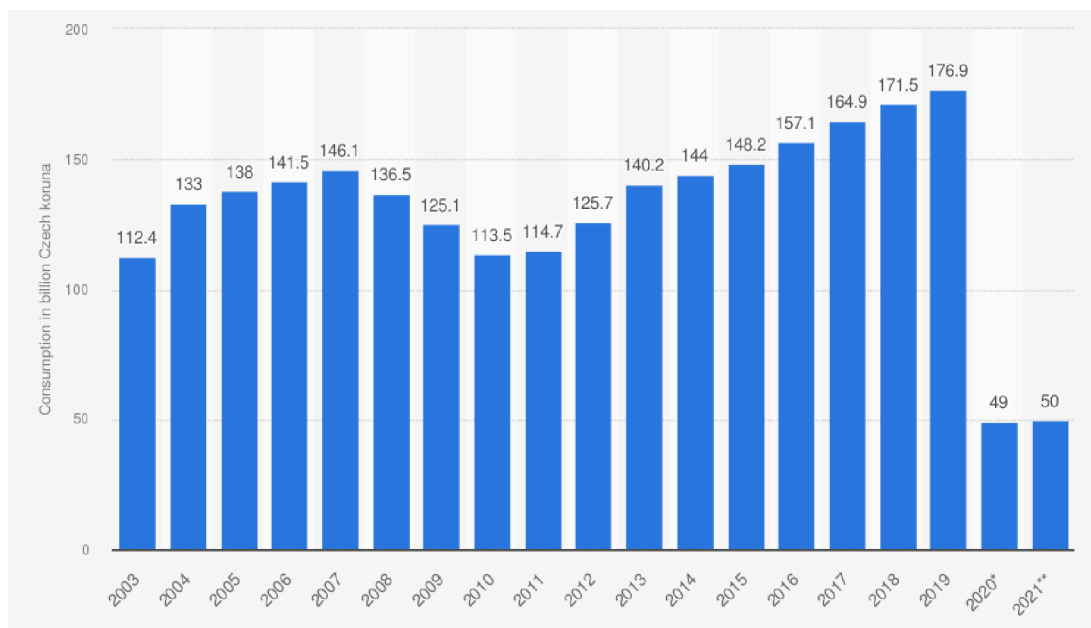
Figure 25: Advertisement overview (Source: Facebook Ads Manager, 2022)

## 2.7 Tourism in the Czech Republic

To support the fact that there is a huge potential to attract international tourists and made them Czechdesign's customers, I would like to present data from Statista. Data that speaks in the company's favor. Currently, from the side of Czechdesign, there is an intention to attract as many international tourists as possible and persuade them to buy local products. On the other hand, it is hard to do when there is no communication towards an international audience realized in the English language.

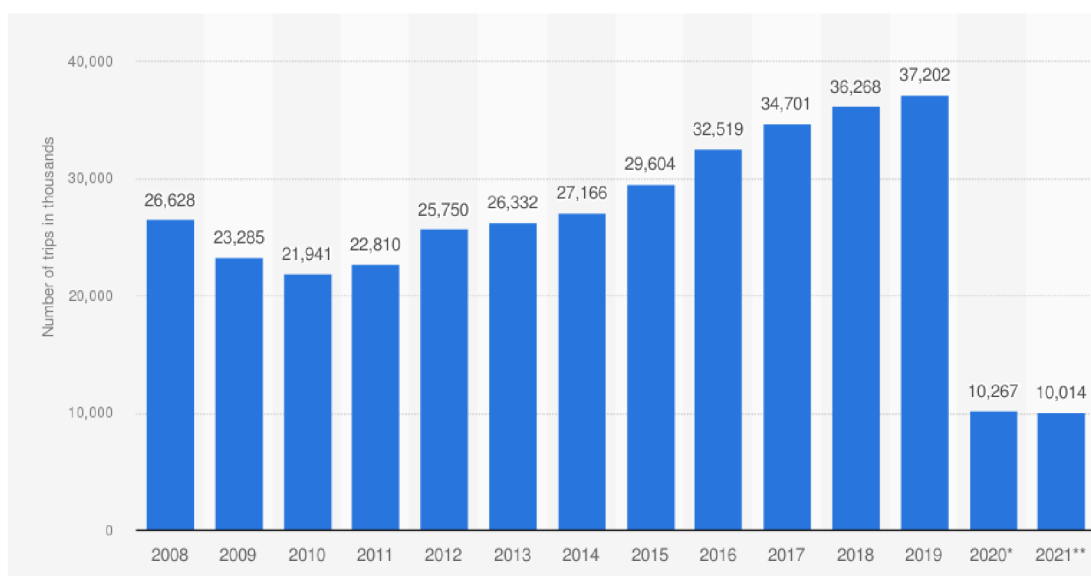
The consumption of international tourists who visited the Czech Republic as can be seen from chart 5 below reached its peak of almost 177 bil. CZK in the year 2019. Total inbound tourist consumption increased in the incoming years after a drop in visitors at the end of the 2000s. Unfortunately, this drop was even deeper due to the Covid-19 pandemic followed by travel restrictions and border closure. The international tourist's expenditure fell to around 49 bil. CZK in the year 2020. The following year, 2021 expenditure amounted to 50 bil. CZK. The chart includes both one-day visitors as well as overnight international tourists. The chart represents the development of international spendings in the Czech Republic between the years 2003 to 2021.





**Chart 5: International spendings in the Czech Republic** (Source: Statista, 2023)

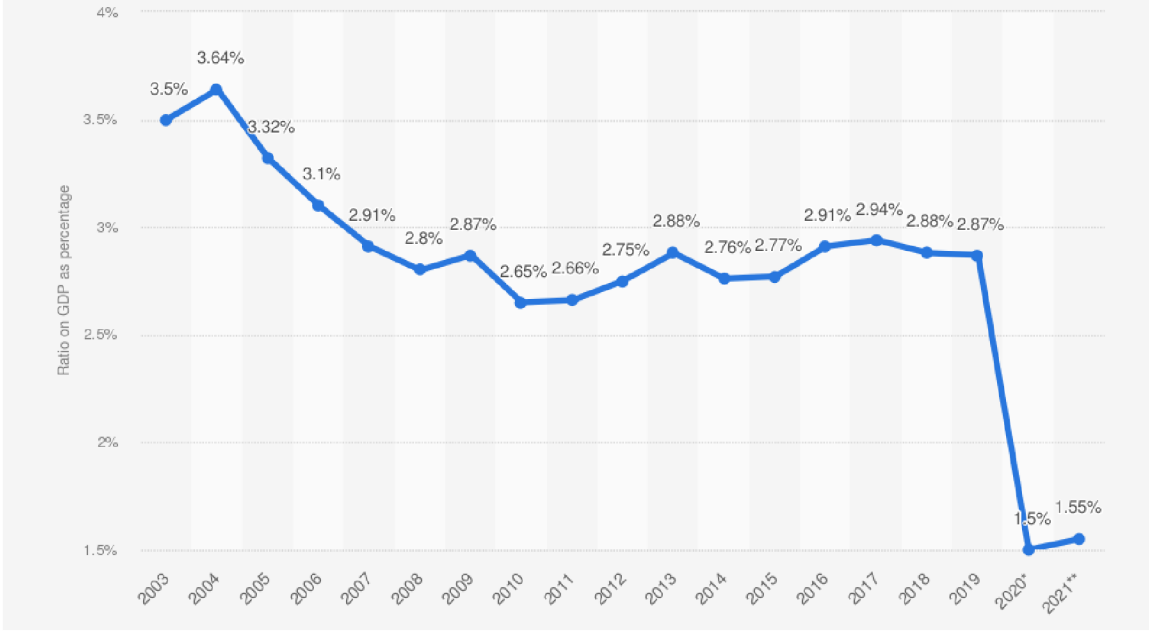
As we can see from chart 6 below, tourism in the Czech Republic was rising each year since 2010. There were recorded around 37,2 mil. of international trips in the country in the year 2019. The numbers are composed of one-day visitors and overnight tourists as well. Here again, as a result of the Covid-19 pandemic, the number of visitors dropped to 10,3 mil. in the year 2020. Even more in the year 2021, to the value of 10 mil. as the result of travel restrictions.



**Chart 6: Tourist trips to the Czech Republic** (Source: Statista, 2023)

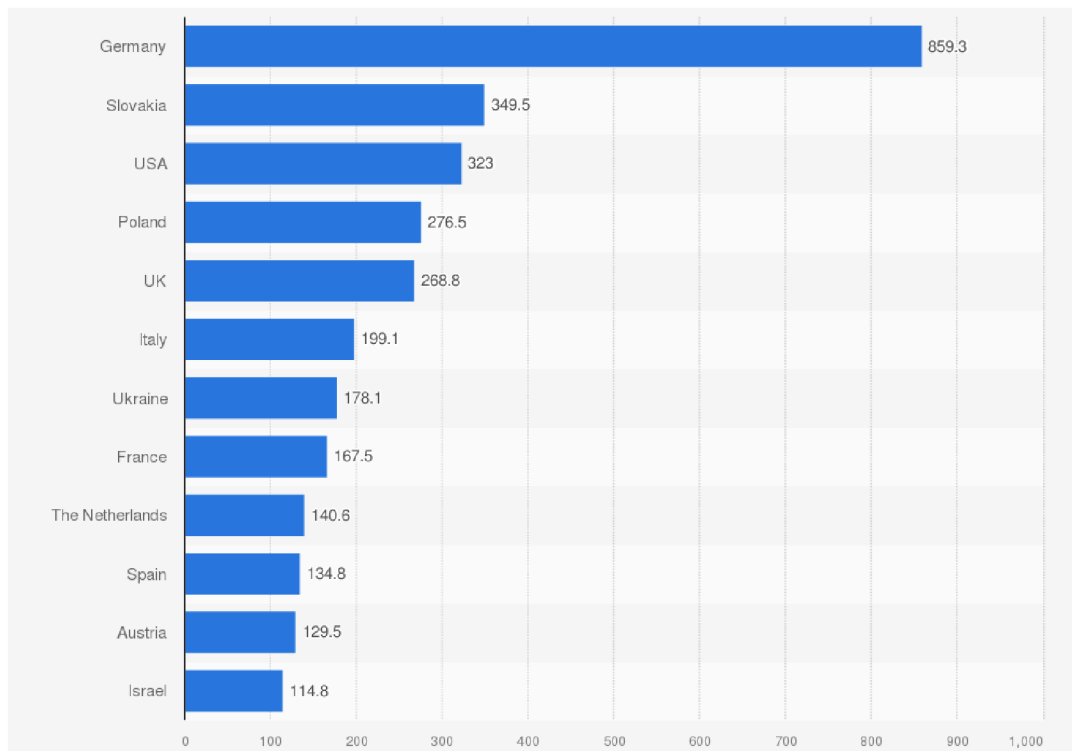
When considering tourism from the total value of Gross Domestic Product (GDP) point of view, in the year 2021 it was 1,55 %. This value equals 95 mld. CZK. From chart 7 below we can see that, the % peak was in the year 2004 – 3,64 % of total GDP. The biggest drop between the

years 2019 and 2020 was again caused by the pandemic situation due to the covid-19. Since the year 2021, we can see a slight increase in the percentage.



**Chart 7: Tourism ratio on GDP in the Czech Republic** (Source: Statista, 2023)

The company Czechdesign is operating in Prague, their brick-and-mortar shop is as well located in Prague. That is why I included visiting countries directly in Prague as well. Chart 8 below represents the leading countries in the year 2022 as a source of tourism in Prague. As we can see, clearly the biggest source of tourists is Germany. The number of German tourists accommodated in the year 2022 in Prague was almost 859 000. This finding was a big surprise for me, Slovakia is in second place but with a very big difference against Germany, with a value of only around 350 000. As we can see there is no big difference between Slovakia and USA. All presented numbers are in thousands.



**Chart 8: Countries and tourism in Prague in 2022** (Source: Statista, 2023)

## 2.8 International customers analysis

International customer analysis is divided into two parts – online and offline. Online analysis is dealing with orders done via Czechdesign e-shop abroad. Offline customers analysis is based on personal interviews which I conducted in Czechdesign’s shop in Prague, Myslíkova. Again, focused on international customers or visitors in the shop during the weekends as it is most common for them to come and buy or visit. The purpose of international customer analysis is to find out from which countries are customers ordering and visiting the brick-and-mortar shop.

### 2.8.1 Online from Czechdesign e-shop

The company Czechdesign is for its e-shop using the platform Shoptet which allows the company to find many interesting insights. For the purpose of online analysis, I decided to compare the two following years to find out if there is any difference, both positive or negative and what the impact of the pandemic situation regarding covid-19 was. I compared total orders from abroad from the years 2021 and 2022. I as well decided not to include the year 2023 as there is not enough data to make a conclusion about the international orders yet.

### International orders, the year 2021

In total, there were 116 orders from abroad, coming from 15 different countries. The list of countries can be seen in table 3 below. The interesting fact is that there were as well two international orders which included a wedding ring. According to the analysis of international orders, I was able to list the most popular categories of ordered products.

These categories are:

- Mugs and cups
- Socks
- Earrings
- Glasses
- Books
- Christmas decorations

**Table 3: International orders summary from the year 2021** (Source: Own processing)

COUNTRY	NUMBER OF ORDERS
AUSTRALIA	1
AUSTRIA	5
BELGIUM	1
DENMARK	4
FRANCE	5
GERMANY	20
THE NETHERLANDS	2
HUNGARY	1
IRELAND	1
ITALY	1
POLAND	3
SLOVAKIA	64
SPAIN	1
SWITZERLAND	3
UNITED KINGDOM	4
<b>TOTAL ORDERS (YEAR 2021)</b>	<b>116</b>

### International orders, the year 2022

In total, there were 89 orders from abroad, coming from 14 different countries. The list of countries can be seen in the table 4 below. The interesting fact is that there were as well two international orders from Hungary which included an engagement ring. According to analysis of international orders, I was able to list the most popular categories of ordered products. These categories are:

- Mugs and cups
- Earrings
- Books

**Table 4: International orders summary from the year 2022** (Source: Own processing)

<b>COUNTRY</b>	<b>NUMBER OF ORDERS</b>
AUSTRALIA	1
AUSTRIA	3
BELGIUM	3
ESTONIA	1
FINLAND	1
FRANCE	3
GERMANY	9
HUNGARY	2
ITALY	1
SLOVAKIA	58
SWEDEN	2
SWITZERLAND	1
THE NETHERLANDS	1
UNITED KINGDOM	3
<b>TOTAL ORDERS (YEAR 2022)</b>	<b>89</b>

### **2.8.2 Offline in the shop**

When I was checking Czechdesign reviews on Google, I find out that there are quite many reviews and feedback from foreign customers and that is why I decided to interview international visitors/customers coming to the Czechdesign's brick-and-mortar shop in Prague, Myslíkova. This decision is as well supported by strategic director of the company Mr. Tuček, who wants to find out from which countries are people coming and if they are, as the tourists,

interested in buying local modern souvenirs rather than souvenirs that are presented as local but are far from it. On figure 22 you can see a few examples of foreign reviews.

**CZECHDESIGN Shop**  
Myslíkova 209/5, Nové Město

4,8 ★★★★★ 85 recenzí  
Recenze nejsou ověřené. ⓘ

**Miguel Valentín-Gamazo**  
58 recenzí · 2 fotky  
★★★★★

**Gal Florsheim**  
Místní průvodce · 797 recenzí · 2 074 fotek  
★★★★★  
(Přeloženo Googlem) Skvělý  
(Původní)  
Great

**Jolana Kochlefl**  
194 recenzí · 629 fotek  
★★★★★

Figure 26: Google review, Czechdesign shop (Source: Google CZECHDESIGN)

The purpose of the qualitative research for my diploma thesis was to find out from which countries are international customers coming from. The research was conducted in Czechdesign shop in Myslíkova, Prague from 13.4. until 23.4. 2023. The table 5 below shows on which days Czechdesign shop was visited by which nationalities.

Table 5: International customers visit (Source: Own processing)

Date	Country of visit	Date	Country of visit
13.4.	Massachusetts, USA	20.4.	USA
14.4.	France		France
	Portugal		United Kingdom
15.4.	Germany	21.4.	United Kingdom
	France		Portugal
	California, USA		Israel
16.4.	Germany		Germany
	Belgium	22.4.	Germany
	France		Portugal
	California, USA		Spain
17.4.	Switzerland		USA
	Germany		Denmark
	Korea	23.4.	Spain
18.4.	United Kingdom		USA
19.4.	USA		France
	United Kingdom	<b>Total</b>	<b>11 days</b>
	France		
	Russia		

The next table 6 shows how many times the country was repeated within the research days. It is important to note that the majority of visitors were shopping couples or friends, meaning that by number of visitors, the number was greater than by number of countries.

**Table 6: Visiting countries** (Source: Own processing)

<b>Country of visit</b>	<b>International visits</b>
Belgium	1x
Denmark	2x
France	7x
Germany	5x
Israel	1x
Korea	1x
Portugal	3x
Russia	1x
Spain	2x
Switzerland	1x
United Kingdom	4x
USA	7x
<b>Total</b>	<b>35 international visits</b>

## 2.9 SWOT analysis

Based on the performed analyzes and their findings, a SWOT analysis has been assembled. SWOT reveals the strengths and weaknesses of the company and its opportunities and threats. SW part is considered internal, and it is in the company’s control OT part is considered external and unfortunately, the company can do very little about its impacts.

### 2.9.1 Strengths

The analysis revealed several strengths of the company Czechdesign. These are historical background and magazine support, own company events, pop-up exhibitions, own products collection in common design, trained staff, internship possibility, shipment to 27 countries worldwide, express delivery inside the Prague area, and direct cooperation with designers. Each strength will be described in more detail below.

### Historical background and magazine support

The biggest revealed strength is the company historical background, meaning that the company is operating since 2014. The company first started as a student project with the goal to present local design and create a community. After 9 years of development, we have the company Czechdesign selling more than 130 designers with stable employees and its own brick-and-mortar shop. It is as well important to mention the Czechdesign magazine, the oldest and the most read magazine about everything connected with Czech design. The magazine collected interesting data about its readers. During the year 2021, there were more than 1,15 mil active readers of which 89 % were from the Czech Republic, 3 % from Slovakia, 2 % from the USA, and 1 % from Germany. The source of readers was 50 % of readers coming from social media and 34 % coming from traditional search engine tools (Czechdesign, 2021).

### Own company events

Czechdesign is well-known for its own organized events. Some of them are directly in the shop, Myslíkova and some of them are organized in special premises. All the events are public and people outside the company are more than welcome. During February 2023, there was for example the event with jeweler Zdeněk Vacek who designed a collection of jewelry especially for Czechdesign as the part of Valentine's Day event. There was as well public event where Czechdesign launched and celebrated its new yearbook 2021. Czechdesign's yearbook 2021 was as well nominated for the price of the best brochure of the year. Each event has usually its own online event created on the company's Facebook profile.

### Pop-up exhibitions

Czechdesign brick-and-mortar shop has two big windows which is one always dedicated to one brand or designer. The pop-up window usually last one month and it is completely up to the brand or designer, how the presentation will look like. Sometimes there are presented small new brands, and sometimes unique collaborations between two designers as well. The pop-up event is always presented on Czechdesign's social media together with their creator.

### Own products collection

Czechdesign collection is made with designer and illustrator Klára Plicová. For the collection is common that even though there are various products, they have the united design. For example, a there is design for a mug called Brno and Praha illustrating different cities, yet in the same visual design. In the collection are included mugs, plates, cloths, or backpacks. Collection description including the visual representation is described in chapter 2.4.1 Product, above.



### Trained staff

There are trained staff and skilled people in the company's brick-and-mortar shop as Czechdesign is offering extra services connected with wedding rings, gift wrapping services or recommendation services how to make products last longer.

### Internship possibility

Czechdesign is offering internships for people or students interested in design itself. There is the possibility to become part of the editing team in the magazine or in the shop. Both internships are providing an interesting insight into company operations and direct cooperation with designers included. Free internship capacity is always announced on the company's social media together with the job description.

### Shipment to 27 countries

Czechdesign is shipping to Slovakia, Germany, Poland, Austria, Hungary, Belgium, Denmark, Estonia, France, Italy, Lithuania, Latvia, Luxembourg, Netherlands, Slovenia, Croatia, Ireland, Portugal, Spain, Sweden, Bulgaria, Finland, Romania, Greece, Switzerland, Norway, and UK included. Shipment to the Czech Republic is a sure thing (Czechdesign, 2023). The price list of shipments to different countries is available on the Czechdesign e-shop in the section Doprava.

### Express delivery in Prague

There is a possibility to have package delivered express in the area of Prague 1-Prague 10 by the company Liftago and Takecars, usually delivery is made in two hours from the placing the order. This extra service cost is 299 CZK.

### Direct cooperation with designers

As it was mentioned above, Czechdesign is focusing on a friendly and fair approach and on building relationships with designers. Many of them are friends of the company's employees and over the past years relationships even strengthen.

## **2.9.2 Weaknesses**

There were revealed five weaknesses in the company. These are lack of English e-shop, lack of English social media communication, overwhelming sharing on social media, missing description of products, some of low-quality e-shop photos.

### Lack of English language e-shop and social media

Weaknesses of the English version of the e-shop and social media were connected as they have a common topic – the English language. It is impossible to target an international audience and

customers when there is no English language accessibility, and prices in € included. If the company wants to serve internationally, the English language is a must. As it was mentioned in Porter's analysis, all identified competitors are having e-shop or social media in English. This can be seen as the biggest weakness of the company especially today when the markets are highly globalized and as the company itself mentioned, they want to attract an international audience. There is a little info provided in English, see figure 27. If I should read this info as an international potential customer, it is not a good sign for me as I should use Google translate for shopping.



**Figure 27: Czechdesign and English language** (Source: Czechdesign e-shop, 2023)

### Overwhelming social media

Currently, I am working in Czechdesign, the field of marketing, more specifically Instagram with a focus on shop stories preparation and communication. Even though there are given exact times of what to share and when – magazine articles, competition, new clients, and e-shop updates, the sharing is quite overwhelming and there are too many things on one profile.

### Missing products description

As I analyzed the e-shop carefully for the purpose of this thesis, I found out that there is a missing detailed description of a few products so the customer cannot find more info about the product itself.

### Low quality e-shop photos

Unfortunately, some of the products are having very low-quality product pictures. Sometimes there is only one product picture which is not enough. I believe that such prestige e-shop should have its own professional photos of selling products.

## **2.9.3 Opportunities**

Speaking about opportunities, performed analysis revealed four opportunities. These are English language e-shop, English language social media, participation in external events, and detailed presentation of designers or brands from the e-shop.

### English language e-shop and social media

English language communication is a must in today's world. Especially when the company's future direction is to attract international tourists. If the company wants to increase the number of international orders, an English e-shop, and prices in € are a must. The same applies to the company's social media communication. English descriptions of presented products could help a lot in promotion internationally.

### Participation in external events

If the company wants to attract international buyers, it is needed to be proactive and become closer to potential customers. For example, participation in designer and artistic events could be one step forward.

### Presentation of designers or brands from e-shop

There is an increasing focus on promoting localness, background, or intentions. Presenting designers and brands on company's social media could lead to increased sales as well as the promotion for small and new brands with which Czechdesign started the cooperation. Try to pass the message of the designer or brand background, how are products designed, made or what is the history of the brand or designer.

## **2.9.4 Threats**

As threats, there were identified six elements, which can have a negative impact on Czechdesign's operations. These are shipment prices, increased prices from the side of designers, increased rent, border closure, increased inflation rate and economic crisis.

### Increased prices

The biggest group of threats relates to increasing prices for sure. There are increasing prices of shipment and energy costs which go hand in hand with the threat of the increasing price of rent. Czechdesign's brick-and-mortar shop is in the lucrative part of Prague and an increase is expected. Unfortunately, these are situations which cannot be influenced by the company and new conditions must be accepted. Many designers faced problems with increasing electricity and when we take for example company manufacturing glass, it is a big difference in mandatory costs.

### Border closure

Hopefully, this one will never happen again, but it is important to keep it in mind as well. The Covid-19 pandemic showed us, what can happen and that brick-and-mortar shops can be easily

closed overnight. The more should be a company focused on English language e-shop establishment.

*Development of economic situation*

Here again, prices of basic elements are increasing, and the inflation rate in the Czech Republic is currently 17,5 % (ČNB, 2023). People are more thinking about what they are buying and if it is really needed to buy. It is important to say that the products Czechdesign sells are not necessary products for life, they are primarily gift items and the price level together with the economic situation has an impact on the purchase of this type of goods.

## 2.9.5 Summary of SWOT analysis

Based on all performed analysis during the analytical part of the thesis, the SWOT matrix was created. Table 5 below shows the summary of above described Czechdesign's strengths, weaknesses, opportunities, and threats.

All of Czechdesign's strengths are revealed from the above analyses in this section. The number in brackets indicates the specific chapter that relates to this topic or mentions this particular strength of the company Czechdesign.

**Table 7: SWOT analysis summary** (Source: Own processing)

<b>SWOT analysis</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<p><b>S1:</b> Long history background (2.2)</p> <p><b>S2:</b> Czechdesign magazine support (2.4.4)</p> <p><b>S3:</b> Pop-up exhibitions of designers (2.4.3)</p> <p><b>S4:</b> Own Czechdesign collection (2.4.1)</p> <p><b>S5:</b> Highly trained staff in the shop (2.5.4)</p> <p><b>S6:</b> Internship possibility in the shop or magazine (2.3.3)</p> <p><b>S7:</b> Shipment to 27 countries (2.3.4)</p> <p><b>S8:</b> Express delivery in Prague (2.3.4)</p> <p><b>S9:</b> Strong and direct relationship with designers (2.5.3)</p>	<p><b>W1:</b> Lack of English language social media</p> <p><b>W2:</b> Lack of English language e-shop</p> <p><b>W3:</b> Overwhelming communication on social media</p> <p><b>W4:</b> Some low-quality product photos</p> <p><b>W5:</b> Some missing description of products</p>
<b>Opportunities</b>	<b>Threats</b>
<p><b>O1:</b> English language social media</p> <p><b>O2:</b> English language e-shop</p> <p><b>O3:</b> Participation in external events</p> <p><b>O4:</b> Targeting English speaking customers</p> <p><b>O5:</b> Designer and brand presentation</p>	<p><b>T1:</b> Increased shipment costs</p> <p><b>T2:</b> Increased rent of brick-and-mortar shop</p> <p><b>T3:</b> Increasing inflation rate</p> <p><b>T4:</b> Border closure due to pandemic</p>

## **2.10 Current situation analysis summary**

At the beginning of the second chapter, the Czech company Czechdesign was introduced together with its scope of the business description. The analytical part of the thesis consisted of several analyses that led to the clarification of the current situation and at the same time served as a basis for the third proposal part of this thesis.

An analysis of the 4P marketing mix was carried out. This means that all 4 P's - product, price, placement, and promotion were identified. This was followed by a Czechdesign's social media analysis. The company actively uses Facebook and Instagram. The social media analysis focused on the audience - who are the followers from the point of view of gender, age group, cities, and countries they come from. Furthermore, an analysis of the advertisement that was promoted on Instagram profile in a form of stories was carried out. In terms of the influx of new customers and followers, whether local or international, the advertisement was evaluated as successful. Further analysis was focused on Czechdesign's international customers. This analysis was divided into online and offline parts. The online part goal was to analyze online orders made from abroad between the years 2021 and 2022. The offline part of the analysis focused on interviews with international customers in Czechdesign's brick-and-mortar shop. The main purpose of the personal interviews was to find out what country the customer came from and where they find out about Czechdesign.

The analytical part continued with the Porter five forces analysis, which focused on five factors that influence the environment in which the company operates. The analysis resulted in, among other things, the identification of three key competitors and their comparison with Czechdesign's performance. To support the international part of the thesis, I decided to focus also on tourism in the Czech Republic. Due to the covid-19 pandemic restrictions in previous years, the number of visitors from abroad has decreased, including tourist spending. However, data from years before the pandemic confirm that there is a potential to attract tourists. At the same time, the main countries from which tourists arrived in 2022 have been identified.

All the analysis has led to the development of a SWOT analysis that presents strengths and weaknesses along with opportunities and threats. The findings from the SWOT analysis serve as the basis for the proposal part of this thesis.

### **3 PROPOSALS AND CONTRIBUTION**

Since the main objective of my diploma thesis was to develop proposals for the expansion of marketing communication aimed at the company's international audience, the proposals will be based on this objective. I would like to present five suggestions that can help the company Czechdesign to target international customers. According to the performed analysis in the analytical part of my diploma thesis, I have identified several opportunities that can lead to an increase in the number of international customers and audience - followers on Czechdesign's social media - Facebook page and Instagram profile.

Currently, there is an intention from the side of the company Czechdesign to attract international tourists. Therefore, in the last part of my diploma thesis, I would like to present suggestions that I believe can be useful for the company in the form of increasing the potential associated with an international audience.

#### **3.1 E-shop for international customers**

As it was mentioned above, the company Czechdesign is interested in targeting an international audience – mainly tourists visiting Prague. Unfortunately, this can be hardly done when there is no English e-shop, webpage neither social media communication. This proposal is divided into two parts – e-shop focus and social media focus.

To become accessible, it is needed to create an English version, so the potential customer can switch languages and understand the company's vision, and mission and most important, buy local products from Czech and Slovak designers. There is some general information translated into the English language on Czechdesign's e-shop but unfortunately, there is no updated information, regarding the shop location and opening hours. There are as well invalid photos of products which Czechdesign sells and missing photos of Myslíkova shop, see figure 28 below.

In the year 2021, Czechdesign re-designed the visual identity and e-shop identity. Czechdesign's team includes several great copywriters and experienced UX designers who were behind this transformation, while also addressing the proper setup of the e-shop itself. Thanks to the fact that Czechdesign has already had these employees included in the team for several years, there is no need to hire an external agency to carry out the transformation of Czechdesign's e-shop and website into the English language.



Jewelry glass Porcelain backpack toys PAPER STATIONERY souvenirs design gifts

CZECHDESIGN SHOP & Gallery is mainly a showroom which showcases products from the biggest Czech online shop with original design. It focuses on works of local Czech designers. You can find more than 50 designers and brands, 600 products – backpacks, handbags, purses, accessories, souvenirs, jewelry, porcelain or glass. You can see and try on everything in our showroom. We also host exhibitions of Czech design, especially young authors. We represent Czech designers such as Jiří Pelcl, Maxim Velčovský, Olgoj Chorchoj, many Czech glassworks and most of Czech jewelers. We can also tell you where to find other original design. In our close proximity you can find several more shops and galleries. If you are interested in where else to buy Czech design, take a look here.

**Figure 28: Invalid e-shop information** (Source: [www.shop.czechdesign.cz](http://www.shop.czechdesign.cz))

If Czechdesign wants to retarget its strategy to international customers - especially tourists, English-speaking employees are scarce in today's digital age. Czechdesign needs to be proactive in this direction in order to increase its competitiveness in the market. As mentioned in Porter's analysis, the three competitors analyzed have almost all their communication set up in English.

The Czechdesign e-shop is created via the platform Shoptet. Shoptet offers several add-ons for businesses' webpage or e-shop to increase user-friendliness as well as offering the addition of a foreign language and foreign currency click-through via the home page. To increase the friendliness of the e-shop for international customers, two add-ons need to be activated:

- Foreign language add-on
- Foreign currency add-on

The foreign languages add-on provided by Shoptet allows the company to add another language to the default language of the e-shop. The language menu is displayed right next to the cart, making it easy to switch the language conveniently as needed. If the customer changes the language of the e-shop, the prices of the products are automatically displayed in the currency specified for that language (foreign currency add-on required). The advantage of these add-ons is that the company finds out the information about the default language directly in the order. It is also possible to set the system email about the order to the language in which the customer placed the order. Another advantage is that the foreign language add-on works great in Search Engine Optimization (SEO). Meaning that even if the e-shop will be operating in one domain, search engines will recognize in which language the page is displayed.



### 3.1.1 Foreign language add-on

Foreign language add-on supports various languages such as English, Hungarian, German, Polish, Romanian, Slovak and Vietnamese. The company can choose which languages will be visible in the e-shop settings, meaning that the company can select which languages can customer choose from (Shoptet, 2023). The company can as well choose which delivery companies will be offered – currently, international orders via Czechdesign’s e-shop are mainly delivered by Zásilkovna. The aim of this add-on is to increase user-friendliness for international customers who do not understand the local language but want to buy local products.

### 3.1.2 Foreign currency add-on

The foreign currency add-on displays the converted prices for products, the foreign price also appears in the invoice. Discounts and quantity discounts that are entered in CZK are automatically converted as well. When setting up the add-on, it is important to choose whether the conversion rate will be fixed or linked to the Czech National Bank rate, which means that the rate will be constantly updated. In the case of foreign payments, the IBAN and BIC or SWIFT code is required. Czechdesign currently has these details available on its e-shop under the Doprava a platba section. Within the e-shop settings, it is possible to set active currencies that correspond to the available language modifications of the e-shop.

### 3.1.3 Calculation

To make e-shop as user-friendly as possible, it is important that both add-ons are active. Both the foreign languages add-on and the foreign currencies add-on. Once the desired currencies and languages are set up, everything is done automatically. That is why the calculation includes the prices of both add-ons. Speaking about the language add-on there is a monthly price of 400 CZK. For currency add-on, there is a monthly price of 300 CZK. When considering one-year subscription for both add-ons, see table 6 below for the final calculation.

**Table 8: E-shop add-ons year calculation** (Source: Own processing)

Add-on type	Monthly price	Year price
Foreign language	400 CZK	4 800 CZK
Foreign currency	300 CZK	3 600 CZK
<b>In total</b>	<b>700 CZK</b>	<b>8 400 CZK</b>

## 3.2 English social media

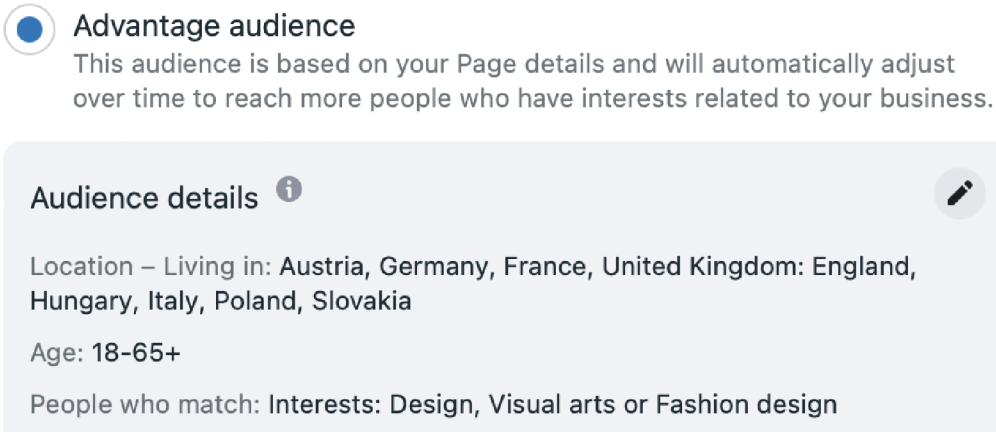
As the first suggestion presented English language accessibility and the realization of the Czechdesign e-shop, it is important to promote and communicate this new feature with followers online.

The idea of this suggestion is to create brand new social media all done in the English language. Thanks to that it would be not that overwhelming, and it will be based on products and designers' presentation with direct links to the English version of the e-shop. Current international followers would then have their own platform and they can become international customers as well. Social visibility is an important part of today's world and in the international field even more important. As there is a strong followers base on both company's social media, the potential is quite big. On Instagram profile, there are currently more than 43 600 followers, and on Facebook page more than 56 000 followers. These numbers serve as an excellent base for English version promotion and sharing. As both social media are interconnected, uploading is even easier for the employees responsible for online communication and posting. See figure 29 for an example of English language advertisement promotion.



Figure 29: Facebook advertisement example (Source: Own processing)

For setting the advertisement audience see figure 30 below. I choose countries from which are currently international orders coming together with countries that are surrounding the Czech Republic. These countries are Austria, Germany, France, the United Kingdom, Hungary, Italy, Poland, and Slovakia. For the age criterion, I used the Facebook recommendation of 18-16+ years old. As the common interests of the target audience were set design, visual arts, and fashion design.



**Figure 30: Facebook advertisement audience** (Source: Facebook Ads Manager, 2023)

### 3.2.1 Calculation

Employees currently responsible for social media communication can easily communicate in English language and all texts can be easily prepared in both, Czech and English language. When preparing materials for social media communication, the Canva platform is used, and it can be used for English preparation as well. When speaking about the creation of new social media Facebook and Instagram it is easy and can be easily done. There are no extra financial costs assigned to these above-mentioned conditions.

While considering the promotion of Czechdesign’s English social media, I choose the Facebook page for the advertisement promotion as there are currently more followers. The advertisement was scheduled for 14 days with a 70 CZK investment per day. In total 980 CZK per two weeks of advertising. Time and date settings serve only as an example. See the final calculation in figure 31 below.

According to the advertisement conditions, the estimated daily reach of accounts could be between 721 to 2 100 and page likes could be increased from 12 to 24 per day as well. When counting with the most positive option, during the two-week duration can advertisement reach 29 400 accounts and brings 336 new likes. When counting with the lowest numbers, during the

advertisement duration, there can be the reach of 10 094 accounts together with 168 new page likes.

The screenshot displays the 'Schedule and duration' and 'Estimated daily results' sections of a Facebook advertisement setup.

**Schedule and duration:**

- Start date:** 16 April 2023, 09:00 PM
- Run this ad continuously:** Selected option. Text: "Your ad will run continuously for a daily budget. This option is recommended. Learn more"
- Choose when this ad will end:** Selected option.
- Days:** 14
- End date:** 30 April 2023
- Summary:** Your ad will be published on 16 Apr 2023 at 21:00 and run for 14 days ending on 30 Apr 2023.

**Estimated daily results:**

- Accounts Centre accounts reached:** 721-2.1K
- Page Likes:** 12-43

**Payment summary:**

- Total budget:** Kč980.00 CZK (Kč70.00 a day x 14 days.)
- Total amount:** 980.00 Kč (CZK)

**Daily budget:** Actual amount spent daily may vary. Estimated 721-2.1K Accounts Centre accounts reached per day. **Kč 70.00**

Figure 31: Advertisement estimated budget (Source: Facebook Ads Manager, 2023)

### 3.3 Designblok participation

Designblok, Prague International Design Festival is the biggest well-known exhibition of contemporary design and fashion not only in the Czech Republic and as well in Central Europe. It was established in the year 1999 and as the annual event presents designers and manufacturers with an emphasis on a Czech design and work from the regions of Central Europe (Designblok, 2023).

This year there will be a 25<sup>th</sup> edition which will be held during 4.-8.10. 2023. The main topic of the event is a *Journey*. This year there are two main places where Designblok will take place. The first is Veletržní palác (Prague National Gallery) and Uměleckoprůmyslové museum in Prague. Outside of these venues, it is also possible to participate in Designblok within the city, which means presenting and networking within the store's own space, showroom, or pop-up.

#### 3.3.1 Participation in Veletržní palác

The exhibition space in Veletržní palác is called Open Studio. There is a possibility to choose from the mezzanine or third floor of the building. The exhibition spaces have different sizes and positions. Based on the lucrative location, the rental price is then determined for the entire

duration of the Designblok event. It is an exhibition space for designers or designer studios. Contemporary design, fashion, jewelry, graphic design, and illustrations could be presented there. Primarily, there is a focus on small-batch production and there is no need for the personal participation of a commercial manufacturer. Exhibition space provides an excellent place where to present Czechdesign collection, and local products which can serve as local souvenir. Describe the story of the company Czechdesign from the beginning, its background and its mission.

The biggest advantage of participating directly in the Veletržní palác is that the company is right in the centre of the action and can thus impress not only with its products but especially with its creativity and interactivity with visitors. If Czechdesign decides to exhibit directly at the Veletržní palác, it is important that skilled people are there and that they are able to impress with the products on offer.

The fee includes various benefits. Exhibitors are listed in all online materials, the Designblok catalogue included. There are five exhibitor passes for designers, the special invitation for the opening event of Designblok and five tickets to Designblok included as well.

### **3.3.2 Participation in own space in the city**

The second option for participation is the exhibition in the company's own space. It can be a shop, showroom, gallery, or pop-up. The goal is to transform the city into the creative map of contemporary design. The subject can choose in which space and how they would like to present themselves. All participants are then listed in the Designblok Map and all marketing materials.

The biggest advantage of an exhibition within its own place is that it attracts participants directly to the store or showroom and the customer can see and buy many more products inside the shop than just within the exhibition space of the Veletržní palác.

Fees in this category included various benefits as well. Exhibitors are listed in all online materials, the Designblok catalogue included. There is a unified marking of the exhibition place for easier identification of the participant. Special invitations for the opening event of Designblok and four tickets to Designblok are included as well.

### 3.3.3 Calculation

When speaking about participation in own space, the calculation is simple as there is one fixed price for shops and companies. The price is **30 000 CZK + VAT**. The price is set for the whole event duration.

When considering the exhibition space in Veletržní palác, prices differ according to the space size and lucrativeness of the location. The most expensive and most lucrative exhibition space costs 30 000 CZK + 21 % VAT. It is as well the biggest exhibition space with a size of more than 19 m<sup>2</sup>. On the other hand, the cheapest exhibition space can cost 16 200 CZK + 21 % VAT. The size of the exhibition space for this price is 8,6 m<sup>2</sup>.

All prices are set for the whole event duration. See table 7 bellow for three variants of exhibition space calculation.

**Table 9: Exhibition space calculation** (Source: Own processing)

<b>Exhibition space</b>	<b>The cheapest</b>	<b>Median</b>	<b>The most expensive</b>
<b>Size</b>	8,8 m <sup>2</sup>	11 m <sup>2</sup>	19,2 m <sup>2</sup>
<b>Location</b>	Mezzanine	Third floor	Third floor
<b>Code</b>	A.31	E.16	E.11
<b>Price (+ 21 % VAT)</b>	<b>16 200 CZK</b>	<b>20 700 CZK</b>	<b>30 000 CZK</b>

I think that the largest exhibition space is too big for the presentation of the Czechdesign's collection, and the products would not stand out. Personally, I would choose the cheapest variant of the exhibition space, space A.31 for the presentation of the Czechdesign collection because it is located on an intermediate floor. This means that every visitor who wants to get to the third floor of the exhibition building must pass by. This exhibition space offers plenty of room for creative usage and to attract the attention of visitors. In addition, it is an ideal opportunity to prepare bilingual communication materials (Czech and English) that can present the vision of the entire collection, including the process of its creation and the artists involved in its creation. Presentation of the company Czechdesign included as well. Visitors will also have the indispensable advantage of seeing the product live. They can feel the product and learn more about the materials used. See figure 32 for the exhibition space A.31 location in Veletržní palác.



Figure 32: Veletržní palác layout (Source: [www.designblok.cz](http://www.designblok.cz))

### Staff cost of the proposal

Another important part of the calculation associated with this proposal relates to staff costs. If Czechdesign chooses to be part of a design event within their shop, no extra staff costs are involved. However, if the company chooses the option of participating in the Veletržní palác, two possible variations of extra costs for employees who will be personally available to visitors throughout the exhibition need to be considered. As the space is not that big, according to my personal experience from the event, one person per exhibition space is enough. But for the purpose of this thesis, there is presented the difference between one or two employee's costs.

Designblok festival is happening for five days, with opening hours from 10:00 to 21:00 every day. So, in total, there is a need for employees for 11 hours per five days. Given the opening hours of this event, two options are presented. The first option is one person for the entire day of the event. The second option is counting with two employees for the entire day, so they can help each other and have a rest as needed. The hourly rate is given by Czechdesign, and it is set on 150 CZK per hour.

The first option involves one person for the whole day of the exhibition. This means 11 hours of work per day for an hourly rate of 150 CZK. In total, the employee gets paid 1 650 CZK a day. The event lasts for 5 days in total, which makes 8 250 CZK for one employee for the entire duration. If the second option is selected, two employees are needed, and all of the costs are doubled. That means that one day cost will be 3 300 CZK and for the whole event duration 16 500 CZK.

The table 8 below summarizes the above mentioned and presents the cost per one or two employees for one day and for the whole Designblok duration.

**Table 10: Staff cost on Designblok event** (Source: Own processing)

<b>Staff cost</b>	<b>1 employee</b>	<b>2 employees</b>
Event days	5	5
Working hours	11	11
Hourly rate	150 CZK	150 CZK
<b>In total per day</b>	<b>1 650 CZK</b>	<b>3 300 CZK</b>
<b>In total per event</b>	<b>8 250 CZK</b>	<b>16 500 CZK</b>

### 3.4 Time frame of proposed suggestions

When I look at the individual proposals in terms of time, it can be said that they build on each other. The first implemented proposal and the first step to reach foreign customers is the customization of the e-shop. It is necessary to have an active English language and the ability to purchase in Euros (or other languages and currencies) before the English version of the ad on Czechdesign's Facebook profile is launched. If this first step is successfully implemented, the company can focus on activating the paid advertisement on the Facebook profile, which will be launched in English and will last, by the proposal above for 14 days.

The third part is a suggestion for participation in Designblok. As this is the largest international design festival in Central Europe, it is important that Czechdesign will have an English language e-shop, including purchasing in euros possibility, and that online communication in English is available at the same time. The staff at the stand can thus refer any international visitors from Veletržní palác directly to the Czechdesign e-shop or the company's social media.

If we focus on the first proposal, we can count on the fact that there will be some preparatory work related to texts, photos and administration that will precede the actual setup of add-ons within the e-shop. Since there are several people in the team who have different competencies and their activities can be coordinated efficiently, we can say that the implementation of the first proposal will take 5 working days and the launch can be set for a weekend. Once the English version of the e-shop is up and running, Facebook advertising can be promoted. The ad will take a few minutes to set up and will run for 14 days.



In table 9 below you can see the timeline of the individual tasks related to the launch of the new e-shop and paid advertising. The timeline is processed using a Gantt chart where one square equals one day.

**Table 11: Time frame of proposal one and two (Source: Own processing)**

Task	English e-shop + English advertisement																			
Day	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
E-shop preparatory work	■	■	■	■	■															
E-shop launch						■														
Advertisement settings						■														
Advertisement launch							■	■	■	■	■	■	■	■	■	■	■	■	■	■

As the Designblok takes place at the beginning of October, the event social media communication should be launched at the beginning of September so that it is effective and can attract potential visitors enough to buy tickets for the event. The premises of Veletržní palác are available to exhibitors in advance by appointment, usually two days before the start of the event so that all decorations and the place itself can be prepared. Designblok is then open for five days.

In table 10 below you can see the timeline of the individual tasks related to participation in Designblok. The timeline is processed using a Gantt chart where one square equals one day.

**Table 12: Time frame of proposal three (Source: Own processing)**

Task	Designblok participation																							
Day	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Social media communication	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Exhibition stand preparation																		■	■					
Designblok event																					■	■	■	■

### 3.5 Summary of proposed suggestions

The main objective of the proposal part of this diploma thesis was to create proposals that, in accordance with the thesis topic, will lead to the expansion of Czechdesign's marketing communication towards the company's international audience. Within this chapter, a total of three proposals were presented to help the company achieve this goal. In addition, each proposal had a sub-section relating to the costs associated with that specific proposal.

The first proposal presented which add-ons Czechdesign can use to modify its existing e-shop to make it user-friendly for international customers. Two types of e-shop add-ons were presented, including the financial costs associated with them.

The second proposal focused on the company's English-language social media, more precisely the creation of new communication channels, a Facebook page, and an Instagram profile, both would be conducted only in English. This proposal presented a draft for advertising on Czechdesign's Facebook page, which was created in English. At the same time, the financial costs associated with this advertisement were presented.

The third proposal was based on an opportunity to participate in the Prague International Design Festival called Designblok, which takes place in Prague every year. This year, with the theme of Journey, is also an anniversary year because it will be the 25th year of Designblok. In the description of this proposal, two possibilities were presented for the company Czechdesign to become a participant in this largest design event in Central Europe. At the same time, the participation costs were presented for both options together with staff cost related to the event.

## CONCLUSION

The aim of the thesis was to create proposals that should lead to increasing awareness of the Czech company Czechdesign, based in Prague. Czechdesign is a company selling Czech and Slovak designers and small brands. In total, there were proposed three suggestions which are based on performed analysis and gained data throughout the research. The intention is that the proposals should lead to the expansion of Czechdesign's marketing communication with the main focus on the company's international audience and customers.

The thesis was divided into three main sections theoretical foundations, current situation analysis and proposals and contribution part.

The theoretical part focused on the critical review of scientific literature and articles and at the same time it explained all needed terms needed for understanding the topic of marketing, international marketing or marketing trends.

The second part aim was to analyze the current company situation. Company Czechdesign was presented including its scope of the business. There were performed various analysis focused on international customers, international orders, or competitive market in which Czechdesign operates. All findings and gained data were then summarized into a SWOT analysis which revealed company's strengths, weaknesses, opportunities, and threats.

Three proposals were created together with their calculations and time frame. The most important part of all proposals is the English language focus as it is a must in today's globalized age. All of the presented suggestions should lead to an increase in brand awareness internationally, both online via social media and offline in the Czechdesign shop in Prague.

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