

**Czech Agriculture University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



# **Abstract of Diploma Thesis**

**Evaluation of Marketing Communication**

**Ing. Michal PROKOP**

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# **Evaluation of Marketing Communication**

## **Hodnocení marketingové komunikace**

### **Abstract**

This diploma thesis deals with the processing, implementation and mainly subsequent evaluation of marketing communication that accompanies the launch and first year of running of the new version e-shop with name GolfGear.cz. The e-shop is operated by GCZ Ltd. and is focused on the sale of equipment for golf players.

The main objective of the diploma thesis is to determine the appropriate tools of marketing communication, which lead for the successful promotion of this kind of e-shop. In connection with this statement, achieving the overall objectives of the e-shop (namely: increasing website traffic, increasing sales and growing conversion rate) will be considered as the successful result of chosen marketing communication.

The first sections of the practical part are concerned with the selection of potentially appropriate tools of marketing communication and their subsequent implementation. Marketing survey conducted among golf players significantly contributed in this part of thesis. The evaluation of the chosen tools and their influence on overall targets of the e-shop follows in next sections. Comparison of the economic results and the data outputs from Google Analytics are used for this evaluation. Recommendations for the future development of marketing communication associated with the operation GolfGear.cz are also part of the final evaluation of the results.

### **Keywords:**

Marketing communication, Communication mix, Promotion, Marketing mix, Marketing, Evaluation, Public relations, Sales promotion, Advertising

### **Introduction**

The beginning of the 21st century is represented by huge boom of internet influence, which penetrates almost into all spheres of human activities. The retail business is considered as one of the most affected sector. Many retailers are more and more focused on sale in e-shops. But this shift in business also means the utilization of new approaches in marketing communications. This thesis is focused just on issues related to marketing

communications connected with the launch and running of e-shop, in this example, of the e-shop GolfGear.cz operated by small company GCZ Ltd.

### **Objectives**

The primary goal of this thesis is devising of marketing communication strategy, its own processing and final evaluation of it. Chosen marketing communication strategy should be implemented during the introduction and first year of life of the new version GolfGear.cz

Various marketing campaigns and ways of promotion of this e-shop will be applied during this time period. Partial goals of this work are evaluation of individual steps. The result should be to determine the effectiveness of steps and the future selection of those, which are useful in promoting of this type of e-shop. Recommendations for some improvements and changes of these ways of promotion are also included.

### **Main Research Question and Hypothesis**

The main research question of the diploma thesis is: Which tools of marketing communication are most suitable for the successful promotion of the small company's e-shop, bringing an increasing number of visitors and increasing sales?

The main hypothesis of the thesis is: It is assumed that electronic and internet tools of marketing communication are more successful for e-shop than all other.

### **Methodology**

The following procedures and methods will be used during the processing of diploma thesis:

1. Study of literature and Internet resources - theoretical background
2. Gathering information and data from:
  - a. Internal system of company - revenues, turnovers, etc.
  - b. Evaluation of existing and previous marketing activities of GolfGear.cz website
  - c. Google Analytics
3. Marketing research among users and golf players
  - a. Evaluation of research results

- b. Application of the results for improving of the website
  - c. Processing of results for choosing of relevant propagation tools
4. Preparation of marketing communications and strategy
  - a. SWOT - GolfGear.cz
  - b. Choosing of appropriate tools of marketing communication – by criteria evaluation of the individual tools
5. Starting with marketing activities
  - a. Start of individual tools
  - b. Continuous monitoring of tools
  - c. Continuous implementation of possible and relevant changes
6. Evaluation of the results – comparison of the values after marketing communication with the values before marketing communication
  - a. Google Analytics
  - b. Economics evaluation
7. Conclusions and recommendations for the future

### **Results and Conclusions**

Choosing of appropriate tools of marketing communication for GolfGear.cz promotion have been done by criteria evaluation. Seven criteria were used: customer feedback from the questionnaire, relevance of the instrument, impact on the target group, price of tool, time need for development, demands on know-how and possibility of control.

Based on this evaluation, these tools have been selected as appropriate: magazine ads, sales promotion, PR or ads articles and reviews, PPC advertisement, Facebook and social sites, Emailing - newsletter, web banners.

According the results, the main hypothesis has been accepted: Electronic and internet tools of marketing communication are really more useful and more successful for e-shop than all others.

The success of marketing communication has been evaluated by achieving of set objectives of this communication. These goals have been set:

- Web traffic: 600 visits per week
- Minimum conversion ratio 0.5% (3 orders per week)

- E-shop turnover = 60,000 CZK per month
- Revenues from e-shop should at least cover the costs incurred in the marketing communication

The results after comparison goals with real numbers are:

The maximum number of visits was about 500 to 550 per week in some months. The web traffic has not been as high as was required, but this fact is at least a partial success, because there is growing trend.

E-shop's turnover especially in out of season months was low, but it has not been also satisfactory in general. The border of 60,000 CZK has never been reached. On the other hand the whole turnover of the company increased by 15% over the last year. It can be assumed, that the new version of e-shop, as marketing tool itself, and connected marketing communication have had high share on this growth. Some customers used e-shop only as source of information and they purchase in store based on these information.

Conversion ratio underlines the results of the website traffic and sales. The border of 0.5% was crossed in some months, but it has not been stable during the reporting period.

Comparison of costs and revenues had positive balance. Of course it is positive result. But the total costs were much lower than had been planned (only 2,666 CZK per month, 5-10 thousands CZK had been planned).

Contribution and evaluation of individual tools:

The main basic stone of whole promotion has been advertisements in Google search engine - Google AdWords and Google Shopping. The most part of investments (together 79% for both) were spent for Google tools. These investments were cost-effective.

Facebook hasn't big influence on golfers. Increasing activity on Facebook is not taking in consideration.

Advertising in the magazine Golf Digest have had probably important contribution, but costs were not included in total costs. Ads promoted whole GCZ and references for the e-shop had been only added.

PR articles and web banners have had less contribution on success. PR has response mainly in long term period. Banners are used in places, where are free of charge - web of friends and partners.

Email newsletter and promo codes (sales promotion) have not been implemented yet, despite the fact that they were chosen as a relevant tool. These unfinished tools reveal main problem connected with marketing communication of GCZ - the time deficit. The limited time for work of workers in small company causes time deficit for marketing activities.

Recommendations for GCZ to the future:

- The company should optimize some activities and processes (outside of marketing communication) for finding of available time for marketing activities.
- Company should implement the tools, which is relevant for e-shop promotion, and has not been implemented yet - promo codes and e-mail newsletter.
- The company should invest more to the tools, which has been found as successful, well developed and cost-effective - especially AdWords.

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