

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



**Diploma Thesis**

**Marketing communication activities of ESN CULS  
Prague**

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## DIPLOMA THESIS ASSIGNMENT

Liubov Khlebtcova

Economics and Management

Thesis title

**Marketing communication activities of ESN CULS Prague**

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### Objectives of thesis

The aim of the diploma thesis is to develop marketing communication activities of non-profit organization Erasmus Student Network (ESN CULS Prague). Data collected during the research are observed and current position is analyzed. Based on considered analyses, the appropriate conclusions and recommendations are proposed.

### Methodology

This diploma thesis is divided in two parts. First part contains theoretical aspects of the topic, where the literature review, documents studying, educational, scientific and electronic sources, systematization and grouping are conducted. The practical part is focused on the comprehensive analysis of marketing communication activities of ESN CULS Prague including comparative analysis, internal analysis, SWOT analysis, PEST analysis, competition analysis, and Porter's five forces analysis. Based on the results from second part measures and advancements are proposed for ESN CULS Prague.

## The proposed extent of the thesis

60 – 70

### Keywords

Marketing mix, promotion, marketing communications, Erasmus Student Network, internal analysis, external analysis, SWOT analysis, PEST analysis, IMC, non-profit organization, association.

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### **Declaration**

I declare that I have worked on my diploma thesis titled “Marketing communication activities of ESN CULS Prague” by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 30.11.2017

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# Marketing communication activities of ESN CULS Prague

## Abstract

The goal of the diploma thesis is to investigate and develop marketing communication process activities of non-profit organization Erasmus Student Network (ESN CULS Prague).

Logically it was created as theoretical part and practical research. The theoretical part illustrates literature review in a framework of marketing of non-profits and their nature, characteristics of marketing communication activities, and integrated marketing communications. Additionally, it includes ESN overview and its features.

Practical part is built on ESN CULS Prague scrutiny based on all-embracing internal and external analyses, marketing communication activities analysis, promotional mix analysis and questionnaire. All techniques used in diploma thesis showed existing cons and minuses needed to be corrected. The feedback received by Erasmus and Exchange students drew the results and critics that were very useful when constructing marketing communication suggestions.

Based on data observed and analysis conducted, the relevant conclusions and recommendations regarding the improvement of marketing communications and promotional process of ESN CULS Prague are proposed.

**Keywords:** Marketing mix, promotion, marketing communications, Erasmus Student Network, internal analysis, external analysis, SWOT analysis, PEST analysis, IMC, non-profit organization, association.

# Marketingové komunikační aktivity asociace ESN CULS Prague

## Abstrakt

Cílem této diplomové práce je prozkoumat a vypracovat aktivity marketingové komunikace přes analýzu neziskové organizace Erasmus Student Network (ESN CULS Prague).

Diplomová práce byla rozdělena na teoretickou a praktickou část. V teoretické části jsou popsány literární rešerše o podstatě neziskové organizace a její marketingová složka, charakteristiky marketingových komunikačních aktivit a integrované marketingové komunikace. Takže byla podrobně popsána struktura, funkce a další součásti studentské organizace ESN.

Praktická část diplomové práce je založena na průzkumu ESN CULS Prague, různých interních a externích analýzách, jako analýza marketingových komunikačních aktivit, analýza propagačního mixu a analýza dotazníku. Všechny použité techniky ukázaly existující nevýhody a minusy, které je potřebné opravit. Při vytváření návrhů marketingové komunikace byli velmi užitečnými výsledky a kritika získána při zpětné vazbě Erasmus a Exchange studentů.

Klíčová slova: Marketingový mix, propagace, marketingová komunikace, studentská organizace Erasmus, interní analýza, externí analýza, SWOT analýza, PEST analýza, IMK, nezisková organizace, asociace.

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## 1. Introduction

In conditions of growing collaboration and continuous strong communications between countries, associations, unions and institutions are striving for new knowledge, development and partnership, the amount of various organizations making and supporting a possibility of experience exchange expands exponentially.

Non-Profit Organizations (NPOs) play an important role last decades. NPOs have become a new huge power driving a society to the future with very productive charities booming everywhere all around the world (Wen-Hai Chih et al., 2016).

Such entities are often non-profit organizations cooperating with companies intensify the process of globalization, implement and control a large part of the world experience exchange. A huge number of them connected with exchange such as AIESEC, IAESTE, International Student Exchange (ISE), AEGEE, AFS Intercultural Programs and many others. The biggest and well-known student association in Europe which helps foreign incoming students in social integration and adaptation is Erasmus Student Network (ESN).

**The object** of the research in the thesis work is Erasmus Student Network of Czech University of Life Sciences (ESN CULS Prague), **the subject** of study is marketing communication activities, marketing activities and promotion of Erasmus Student Network of Czech University of Life Sciences (ESN CULS Prague) as a part of association Erasmus Student Network.

This diploma thesis refers the marketing communication activities development of ESN CULS Prague through its review and analysis. The relevance of this topic is that marketing communications show a connection between a nonprofit's "marketing orientation" and its long-term sustainability.

In terms of master's thesis there is a characteristics of NPO Erasmus Student Network CULS Prague. There different techniques and marketing communication research are implemented. The questionnaire used in a thesis helps to see ESN's performance and promotion, and students' satisfaction level.

## **2. Objectives and Methodology**

### **2.1 Objectives**

The major goal of this diploma thesis is to develop marketing communication activities, to improve the existing functioning system and propose marketing recommendations for non-profit organization (student association) Erasmus Student Network of Czech University of Life Sciences (ESN CULS Prague). The significant and consequential point of the studying is the issue of marketing, promotion, image and appearance of ESN CULS Prague activities and the actions improving present situation.

Speaking more detailed the objectives of the diploma thesis are:

- Investigation the nature of nonprofit organizations, its scope of work and types;
- Observing the marketing communications and integrated marketing communications process, promotional mix, external and internal and types of analyses;
- Observing the international Erasmus Student Network and ESN CULS Prague activities;
- Observing of ESN CULS Prague services and products;
- Considering the marketing communication activities of ESN CULS Prague;
- Exploring the interest of the Erasmus and Exchange students in ESN CULS Prague, its performance and customers' satisfaction;
- Developing the existing marketing communications process and promotional activities of ESN CULS Prague.

### **2.2 Methodology**

Methodology explains research methods and techniques chosen in this diploma thesis, helps with understanding key findings and forming the recommendations.

The literature review is based on theoretical background and understanding the topic connected to the wide spectrum of terms as non-profit organisation, association, marketing, marketing communications, promotional and marketing mix, and analysis. Thesis is characterized by chapters connected in a way of the topic logical reasoning from general to specific details and with using specialized terminology, critical overview of sources and

studied information. It contains theoretical aspects of the topic, where the documents analysis, educational, scientific, and electronic resources, classification method and typological method that include systematization and grouping, and induction are conducted. The theoretical base of the research that constitutes its foundation is scientific journals, articles and books of famous economists, publications, reports. This literature focuses on marketing analysis and marketing communication tools.

The diploma thesis contains the sources review of the famous economists and researches. Doubtlessly, the research refers to works and books of well-known authors such as Kotler, Andreasen, Porter, Armstrong and Belch M. and G. Besides, Irvin, R., Ott, J. etc. Besides, it refers to ESN recourses including its reports and web pages in combination are the main pillars for investigation of its work, structure and history. Trends and news are tied up with marketing and management magazines and online sources such as Forbes, European Union Marketing magazine and Chron journal and relevant blogs.

The practical part is focused on the comprehensive observation, scan and description of marketing communication activities of ESN CULS Prague and discovering of opportunities of marketing communication improvement. This part consists of comparative analysis, internal analysis, SWOT analysis, PEST analysis, competition analysis, and Porter's five forces analysis, marketing mix and promotion analysis, and questionnaire. It is clear that these methods are reasoned by necessity of getting a full picture of issue and additional factors' influence detection. Analyses mentioned in the work rely on qualitative approach and inductive reasoning, comparison, as well as psychological and socio-cultural factors complemented with author's ESN experience and feedback constantly receiving by students.

There were primary and secondary data collected. Secondary data are used from ESN annual report and publications. Primary data were collected from ESN's and competitors' web pages, personal contacts with students and by a questionnaire that was sent by Facebook personal messages, to Erasmus CULS 2016/2017 and Erasmus CULS 2017/2018 groups.

The questionnaire research objectives were to discover opportunities of marketing communication improvement as well as to find out ESN CULS Prague performance, image and reputation, students' preferences, interests and satisfaction with association's work,

and positive attitudes to ESN CULS Prague. To reach the goals, a qualitative questionnaire technique that contained various types of questions was designed due to its prevailed advantages. The ethics of the research was taken in account and the respective notification regarding the respect of people's private and personal data was provided to respondents.

All of the above methods reflected in this work are harmonized and complement each other. Based on the results of the second part, economically reasoned measures and certain marketing communication activities are proposed for ESN CULS Prague in conclusion.

Thus, the methodology used in this thesis determines the opportunities and weaknesses when the combination of mentioned techniques shows clear results and leads to the creative ideas, finding new prospects to correct the ESN CULS Prague marketing communications.

The last part is based on the list of used resources, tables, figures, and attachments (Appendix).

### **3. Literature Review**

This diploma thesis covers the theoretical aspects of nonprofits with its features as well as its marketing and promotional mix.

#### **3.1 Non-profit Organization**

According to the Internal Revenue Service (IRS) a NPO is “a business granted tax-exempt status” organization (irs.gov, 2017). A non-profit organization (NPO) is an organization “which is not driven by profit but by dedication to a given cause that is the target of all income beyond what it takes to run the organization” (Rouse, 2015). Hansmann indicates NPOs as the charity organizations that serve public interests (Hansmann, 1980). NPOs are created for a mutual or public benefit and interests rather than making profit for owners or investors and exist to change people and society (Salamon, 1999).

However, being a nonprofit organization does not mean that it does not generate profit at all, but simply the purpose is not a harvesting income. They are characterized by special way of profit distribution because they do not transfer it to owners or directors. It goes for the support of operation of the organization (Anheier, 2014).

Donations sent to a NPO are normally tax deductible to individuals, businesses or other organizations that make them, but the NPOs must report financial and operating information to prove donors' contributions have been used and spent effectively. Internal Revenue Service states that NPOs are based on the tax code sections permitting them to operate. That means they do not pay income tax on any money they receive through fundraising activities.

Each nonprofit has to match the following five characteristics common to all of them:

1. NPOs are private organizations separated from the government;
2. NPOs are organized;
3. NPOs are voluntary-based;
4. NPOs are self-governed;
5. NPOs use profit to cover the expenses in order to sustain and for public benefit (Machuca, 2017).

A non-profit organization typically has paid staff (high management level) and volunteers who it uses to implement different programs. Employment taxes in this case are the same as well as state and federal workplace when salaries are generally lower.

NPOs bring people together and motivate to invest their resources for achieving organisation's goals that benefit the purpose of its being. So the revenue NPOs make is used for the betterment of the mission they seek to complete (Friend, L., 2017).

NPOs are organized in order to meet social and other relevant problems people faced and focus on improvements and, therefore, welfare of society. Objectives that nonprofits seek to attain when working for their mission have to be SMART in order to improve the chance of success. And their beneficiaries should also be included in the objectives.

### **3.2 Non-profit organizational structure**

Organizational structure of nonprofits and decision making in nonprofit organizations may be complex, intricate and bureaucratic because of the stakeholders involved in organizations' activities and its regulation. A board of directors, owners, paid staff, and members convenes at regular intervals to review the finances and to provide administrative guidance, to solve mail problem and guide and lead the organization. Indirectly, funders also participate in decision making as NPOs closely work with foundations, governments, intergovernmental organizations, special bodies and individuals to define future programs.

### **3.3 Differences from other organizations**

A not-for-profit organization (NFPO) is a wide term including nonprofits, charities, non-governmental organizations (NGOs), civil society organizations (CSOs) and private voluntary organizations (PVOs). The difference between "nonprofit" and "not-for-profit" is about semantics because "nonprofit" references an organization whose operations, services or products are not created to gain a profit but they can be used interchangeably.

Talking about NPOs and non-government organizations (NGOs), the difference is that NGOs are separate from government and require no government council or control but are in dependence on the government regarding to funding (Rouse, 2015). On the other hand, NGOs are non-profit organizations in the same time (Machuca, 2017).

A charity is a type of NPOs. So here the following statement works: all charities are

nonprofits not all nonprofits are charities. A charity works for the public’s benefit and can be represented by churches, hospitals, and organizations for education (irs.gov, 2017).

Also non-profits are different from for-profits:

1. NPOs forward all revenue and resources to public’s benefit and to cover their main survival costs while for-profits strive to gain revenue in founders’ and members’ interest (Rouse, 2015).
2. Nonprofits rely on donations and grants from other organizations and institutions or government entities in order to sustain themselves. The difference here is way of receiving funding and ways the money is spent.
3. Nonprofits are tax exempt i.e. they are taxed in a big number of ways, while nonprofits are allowed to register for tax exemption (Irvin, 2017).

### 3.4 Classification of Non Profit Organizations

NPOs are allowed to make revenue related to the specific interests (Machuca, 2017). The table below defines the most popular NPOs’ functions (table 1).

Tab. 1 The NPOs’ classification based on most popular functions

Function	Description
Charity or Social Welfare	Charity and social welfare serve to provide aid and relief to those without access to such necessities. It is notable that since these organizations are tax-exempt due to the assistance they provide, they actually save money for the government. An example is women’s shelters where women and children can seek refuge from abusive situations, with the organization providing direct relief and shelter for those in need.
Religious Functions	Religious functions are often directed to sharing a certain belief and working to do well in the name of said belief. There are religious organizations which provide charitable services to their communities, either through the existing organization or by establishing a new, separate nonprofit organization to meet the needs of the people.
Trade, Research, and Education	Trade organizations seek to further benefit the goals of a specific group of professionals, creating associations which include, but are not limited to teachers, nurses, and engineers. These groups function to give training to group members, as well as present an opportunity for networking. Research and education nonprofits seek to improve the conditions of the people around them through advancements in research and education. However, not all research organizations are nonprofit, as some are sponsored by different companies. Educational organizations may recruit new teachers to educate students in places that need them most, like in rural school districts.

Source: Machuca, 2017



A nonprofit must serve the public, whether through the offering of goods, services or both. And clients and their overall satisfaction are important in the success and lifespan of NPO as well as good management and operation. They typically serve a scientific, religious, scientific, educational, charitable, educational, literary, public safety or cruelty prevention purpose and recognized as tax-exempt but must generate some public benefit as well. The typical examples are hospitals, universities, national charities, churches and foundations, informal neighborhood associations, kitchens, charities serving the poor to labor unions, self- help groups and museums. Non-profit organizations are often used for trusts, cooperatives, and advocacy, and charity, environmental and religious groups (irs.gov, 2017).

The National Taxonomy of Exempt Entities Core Codes classifies NPOs as the following 10 groups (figure 1).

Fig. 1 The National Taxonomy of Exempt Entities Core Codes NPOs classification



Source: Ott and Dicke, 2016

There are many of them and mixed and related to several groups in the same time. The following picture (figure 2) illustrates percentage of NPOs per each group.

The figure shows that Human services (35.5%), education (17%) and health (13%) have the biggest percentage.

Fig. 2 The percentage of NPOs per each group of The National Taxonomy's of Exempt Entities Core Codes NPOs classification



Source: irs.gov, 2017

The Internal Revenue Service categorizes nonprofit organizations in 27 types (Appendix 10). Referring to this classification a magazine Chron groups NPOs to the following categories (figure 3).

Fig. 3 Types of Non Profit Organizations

Educational	Research	Community	Artistic/Creative
<ul style="list-style-type: none"> <li>•Focus on education of children and adults by offering services to help them to improve their skills.</li> <li>• Form: schools, day care centers, colleges and universities.</li> <li>•Create public awareness and seek out those who may benefit from these services.</li> </ul>	<ul style="list-style-type: none"> <li>•Research performing to investigate some special areas and topics (the medical community, the environment, wild life and cultures).</li> <li>•Goal: the improving individuals or environments (assisting in finding diseases, improving ecosystems, raising awareness and interest in their cause).</li> </ul>	<ul style="list-style-type: none"> <li>•Develop programs and raise awareness of services in specific communities (child care, recreational activities, health programs to improve the lives of individuals and families in the community).</li> </ul>	<ul style="list-style-type: none"> <li>•Promote or support artistic and creative endeavors (art galleries, orchestras, symphonies, theaters and dance groups).</li> <li>•Fundraising is provided by public performances and community events to support the organization financially.</li> </ul>

Source: Friend, 2017

**International student organizations** are associations where current and graduated students get involved to improve the international student communications and organize exchange programs all around the world. Mostly they are non-profit associations based on volunteer membership which brings different social and personal benefits to reach valuable

practical experiences. Particularly, it is events organizing, working in a team, conflicts solving and diplomacy, participating in interesting projects, getting huge experience in diplomacy and intercultural exchange. Involving yourself in it pulls an individual to responsibility, empathy, flexibility and creativeness and gives you an advantage on the job market in comparison with other candidates (esn.org, 2016).

One of the main important statements for international student organizations is that these NPOs work for people, their satisfaction, problems solving. Also they help to reach students' goals by cooperating them to educate, simplify their life and diversify leisure time. In order to extend and maintain their life cycle student organizations concentrate on their goodwill, brand and its perception, customer satisfaction of products and services. Partnership and long-term collaboration, good reputation, feedback and popularity are their key to success.

### 3.5 The legal status of non-profit organizations in the Czech Republic

Currently there are 129,947 legally registered nonprofits in the Czech Republic (April 2017). Among them there are foundations, endowment funds, generally beneficial companies, registered institutions, church organizations, associations and subsidiary associations (table 2) (Neziskovsky.cz, 2017).

Tab. 2 The statistics of NPOs in the Czech Republic 2014-2017

Year/ Form	Foundation	Endow- ment funds	Generally beneficial companies	Registered institutions	Church organizations	Associa- tions	Subsidiary associations
2014 (Dec)	508	1407	2926	123	4 158	86 956	26 118
2015 (May)	495	1442	2912	206	4 156	87 698	26 225
2015 (Dec)	505	1518	2 894	388	4 166	89 584	26 423
2016 (Mar)	505	1544	2 865	488	4 166	90 412	26 463
2016 (May)	510	1574	2 840	557	4 170	91 307	26 583
2016 (Sept)	510	1592	2 814	626	4 170	91 931	26 359
2016 (Dec)	516	1635	2 792	686	4 177	92 878	26 370
2017 (Apr)	515	1670	2 774	752	4 171	93 651	26 414

Source: Neziskovsky.cz, 2017

At the beginning of 2014 there new update and recodification of private law entered into force, including the New Civil Code, which relates to changes affecting non-profit organizations too. For this reason, currently in the Czech Republic a non-profit sector is

divided into the several forms of NPOs according to the typology of state politics 2015 - 2020:

- Associations and subsidiary associations (new according to the New Civil Code) (83/1990 Sb.);
- Foundations and endowment funds (before 227/1997 Sb., now according to the New Civil Code);
- Church organizations (3/2002 Sb.);
- Generally beneficial companies (248/1995 Sb.);
- Registered institutions(according to the New Civil Code);
- School legal entities.

The Act touched on the most frequent forms of non-profit organizations. Due to the abolition of Act 83/1990 Coll. “občanská sdružení” (civil associations) has stopped its functioning. The new form was “zapsaný spolek” (z.s.) - registered associations. January 1, 2014 all “občanská sdružení” (civil associations) have been automatically changed to “zájmový spolek” (interest associations), however, with the transformation of legal form, the obligations of organizations have also changed. It is necessary to make changes to the statutes, register the organization to the Federal Register, and report these changes to the relevant workplace. These organizations have the opportunity to make this change within three years, i.e. to transform their basic documents and ways of functioning according to the new legislation (neziskovky.cz, 2017).

### **3.6 Marketing communications and IMC**

In order to keep the audience and follow its goals organizations implement marketing communications.

#### **3.6.1 Marketing communications and IMC overview**

**Marketing communications** is a term describing various combinations of tools and marketing channels. Marketing communication channels are are various ways of transferring communication messages to its target market and audience by using tools as advertising, personal selling, direct marketing, promotion and public relations (Tomse, Snój, 2014).

**Integrated marketing communications (IMC)** involves promotional tools and marketing

activities coordination which helps to communicate with an organization's customers. IMC is developing during many years and various schools confirm that IMC is changing through trend of media, technologies and consumer tastes (Belch, G. E., Belch, M. A., 2001). IMC can cover the marketing of single product/service or the whole brand, and extends to the outward marketing communication of enterprise.

Schultz (1997b) suggested the concept of Integrated Marketing Communication to strategically integrate all the communications vehicles by emphasizing the consistency of messages and the image of consumers toward the organizations. According to Don Schultz of Northwestern University, integrated marketing communications illustrate a "big picture" approach made up of planning, coordinating, marketing and promotion programs of chosen communication functions where all resources are included (Belch, G. E., Belch, M. A., 2001).

Schultz stated that the organization's development and continual interactions with customers are required to reach the goal when realizing the whole marketing strategy. His proponents think that consumers' perceptions of an organization and/or its brands are a set of the bundle of messages they receive or interactions they are involved (for example, media advertisements, price, package design, direct-marketing efforts, publicity, sales promotions, websites, point-of-purchase displays, the type of store) (Belch, G. E., Belch, M. A., 2001).

That means the IMC implies all organization's marketing and promotional activities aimed to positive image, customer satisfaction, communication goals realization which makes organizations to lean towards improvements. The IMC approach shows the most appropriate and effective methods for communicating and building relationships with company's environment.

Tom Duncan and Sandra Moriarty say that IMC is a "new-generation" marketing tool to better focusing on developing relationships with customers and stakeholders. They have improved a communication-based marketing model that shows the importance of coordinating all communications to maintain and strengthen brand value. Messages can be operated at three levels: corporate, marketing, and marketing communications because firm's marketing-mix activities and marketing communications efforts are directed to attracting and keeping customers (Duncan, Moriarty, 1997).

At the marketing level messages are sent to customers and other stakeholders through all tools of marketing mix, not only by promoting. Therefore, consumers make conclusions about a product/service based on design, appearance, performance, pricing, service support, and distribution. (Belch, G. E., Belch, M. A., 2001).

There are three IMC approaches:

1. Inside-out approach combines the communication elements and marketing to create a single unified message (Lucia, del Barrio-Garcia, & Kitchen, 2012). With inside-out brands, organization tells the audience its idea (The Financial Brand, 2017).
2. Outside-in approach of strive for understanding the consumer's needs and wants (Lucia, del Barrio-Garcia, & Kitchen, 2012). Using this approach means your audience dictates you what the organization should stand for.
3. Cross-functional strategic approach does not concentrate around the concept of marketing promotional elements; instead of this organizations focus on restructuring the organization to increase a customer-centric environment (Lucia, del Barrio-Garcia, & Kitchen, 2012).

### **3.6.2 Reasons of implementing IMC**











The reasons why organizations apply IMC are the following. Firstly, they understand the value of integrating the various communications functions rather than using them separately. Secondly, it is one of the easiest ways to maximize the return on its investment in marketing and promotion. Thirdly, interest in IMC is caused by changing environment. Some of them are connected to demographics, lifestyles, media use, and buying and shopping patterns. For instance, Ryanair has become an ESN partner since travelling among Erasmus students is very popular.

However, Andreasen and Kotler think that for-profit marketing practices often do not apply for NPOs (Andreasen, Kotler, 2015). Perhaps, the main reason is that NPOs have three target markets: clients or customers; volunteers; donors or funders (Helmig, Jergers, Lapsley, 2004).

### 3.6.3 The Role of IMC in Branding

One of the major reasons for the growing popularity of integrated marketing communications over the past decade is that it plays a major role in the process of developing and sustaining brand identity and equity. Having more competitive and well-known brand is a major competitive advantage to attract more customers who have less and less time to make choices. Building and maintaining strong brand identity is very important. It is a combination of many factors as name, logo, symbols, design, and performance of a product/service connected with the image. It allows having favorable, stable, and unique associations in the mind of the consumer. Thus, it is the sum of all contacts that consumers have with the brand what can also result from various forms of IMCs activities: mass-media advertising, sales promotion, sponsorship activities at sporting or entertainment events, websites promotion, and direct-mailing, flyers and videos. According to Forbes the World's Most Valuable Brands are (figure 4):

Fig. 4 The World's most valuable brands

Rank	Brand	Brand Value	1-Yr Value Change	Brand Revenue	Company Advertising	Industry
 #1	Apple	\$170 B	10%	\$214.2 B	\$1.8 B	Technology
 #2	Google	\$104.8 B	23%	\$80.5 B	\$3.9 B	Technology
 #3	Microsoft	\$87 B	16%	\$85.3 B	\$1.6 B	Technology
 #4	Facebook	\$73.5 B	40%	\$25.6 B	\$310 M	Technology
 #5	Coca-Cola	\$56.4 B	-4%	\$23 B	\$4 B	Beverages
 #6	Amazon	\$54.1 B	34%	\$133 B	\$5 B	Technology
 #7	Disney	\$43.9 B	11%	\$30.7 B	\$2.9 B	Leisure
 #8	Toyota	\$41.1 B	-2%	\$168.8 B	\$4.3 B	Automotive
 #9	McDonald's	\$40.3 B	3%	\$85 B	\$646 M	Restaurants
 #10	Samsung	\$38.2 B	6%	\$166.7 B	\$3.7 B	Technology

Source: Badenhausen, 2017

The challenge for organization is to understand how to use the various IMC tools to make contacts and deliver the message efficiently. A successful IMC programme requires

finding the ideal combination of marketing communication tools and techniques and their coordinating (Madhavaram, Badrinarayanan, McDonald, 2005).

Brand image is subjectively perceived by consumers and long-term benefit of the organization. Dobni and Zinkhan (1990) investigated that brand image determines public relations and customer loyalty.

### **3.6.4 Marketing mix**

According to Philip Kotler MC marketing mix based on the **marketing mix** (“a set of marketing tools and controllable variables that work together to affect the marketplace and use to influence the buyer’s response”) which consists of the “The Four P’s”: Price, Promotion, Place and Product referring to the major elements of a marketing strategy.

Marketing mix elements determination eases the development of relationships when company examines the needs and wants of consumers. It is aimed to product or service developing, needs satisfying, using a particular price, making it available in a special places, and developing a promotion and communication. These factors create four Ps - product, price, place (distribution), and promotion - the components of the marketing mix (Schindlinger, 2015).

- **Product**

Product characterizes the set of goods and services offered by the organisation. And customers pay not for the tangible product but for its benefits and needs it is supposed to satisfy. For nonprofits product is perceived as a “Program” and it first element because it is a start point pushing a determination of place, price, and promotion (Andreasen, Kotler, 2015).

- **Price**

Price is the amount of money an organization asks for providing of product or service. Price is the element of the marketing mix that makes revenue; and the rest its elements produce costs. Pricing is a tricky and painstaking job especially when the competition is huge. Besides the factors such as demand, costs, government restrictions and organization type affect the price. Pricing is also about non-financial costs as social costs, psychological costs and time costs what is very important for nonprofits. Pricing objectives can include:



profit maximization, expanding the market or cost recovery. (Schindlinger, 2015)

- **Place**

Place element means that goods and services must be made available to the consumers at a physical place with right atmosphere where they can easily make purchase. It is necessary and very important that the product or service is available at the audience's location. This includes a chain of distributors and retailers network. The decision needs to be made here is about way of distribution: either direct sales to the retailer (or even directly to consumer) or the chain of agents.

- **Promotion**

Promotion deals with making consumers aware about its price, features, availability in order to motivate them to buy a product or service. It refers to a process of informing of prospective consumers about the availability, characteristics and uses of a product and influencing a consumer's behaviour to make choice in favour of it. Promotion is happening through means of *personal selling, advertising, publicity and sales promotion* (Belch and Belch, 2009).

However, it is fair for a business selling goods; service based firms and organizations use the 7Ps: Price, Promotion, Place, Product, People, Physical evidence and Process (Kusumawati, Oswari, Utomo, & Kumar, 2014)

Marketing researchers Booms and Bitner (1981) added three extra Ps which are relevant for services:

- **People**

People determine knowledge, skills, education and values of service providers, customers and their interactions. The knowledge and values team demonstrates is an important part of the service quality.

- **Physical evidence**

Physical evidence refers to promotion techniques, its quality and appearance. Good physical evidence will make customers feel they are getting a quality service. It can

include physical environment, internal signage, packaging, paperwork, uniforms and corporative dress code, business cards, and mailboxes.

- **Processes**

Processes refer to what the customer has to go through, procedures and efforts such as registration, payment, finding information about it in advance (Booms, Bitner, 1981).

- **Philosophy**

An additional P for nonprofits appeared in the 1990s refers to philosophy because non profits nearly always have a philosophical/values base to what they are doing (Susarla, Barua, Whinston, 2003)

### **3.6.5 IMC of non-profit organization**

Every non-profit organization uses different marketing mechanisms to attract passionate supporters and gain minds, hearts and wallets share of their current and potential volunteers, donors, and clients.

To meet the needs of consumers, NPOs need to adapt business marketing models to become more consumers-oriented and communicate with a goal to stimulate purchase behaviours. They re-integrate the approaches to realize their mission when of promoting their ideas and services to targeted customers. Kotler and Levy (Kotler, Levy, 1969) were the first authors who applied marketing ideas to NPO with a view to rise up to the challenge brought about by the change of the environment.

### **3.7 The IMC Internal and External Analyses**

According to G. Belch and M. Belch, marketing communications have to be reviewed with situation analysis connected with investigation of internal and external factors and environment analysis.

### **3.8 Internal analysis**

According to Belches, the internal analysis describes the relevant areas involving the product or service offering. They state the capabilities of the firm and its ability to develop and implement a successful promotional program. (Belch, G. E., Belch, M. A., 2001).

The elements of internal analysis can be shown through strengths and profitable activities, as well as problems and minuses. It includes a company's promotion and capabilities, company's reputation, logo and brand awareness and loyalty of customers, strengths and weaknesses overview, outbound and inbound, firm's operations, equipment and techniques.

Belches G. E. and M. A. think the internal analysis also assesses the relative strengths and weaknesses of the product or service; its advantages and disadvantages; any unique selling points or benefits it may have; its packaging, price, and design.

Internal analysis indicates the resources that can be viewed as inputs (the employees' skills, finance, patents, and goodwill). Resources can be divided into tangible and intangible. Tangible resources are represented by touched assets such as financial, physical resources including (equipment and software), human resources. Intangible resources are less visible and range from intellectual property rights to culture and reputation, the ownership of patents, brand names, and copy rights (Whatmakesagoodleader.com, 2015).

### **3.9 External Analysis**

Aside from the organization's internal factors, there are macro-economic factors influencing its performance. The external analysis focuses on factors surrounding the company and includes its environment, customers and competitors, market segments, positioning strategies.

One of the most commonly used analytical tools is PEST Analysis.

#### **3.9.1 PEST Analysis**

PEST is an acronym for Political, Economic, Social and Technological environment. It is used for evaluation the current situation in order to determine how these factors will affect the performance and activities of the organization (Kotler, Armstrong, 2012). These external factors are explained as follows:

- Political factors relate to government and legal regulations affecting the term and conditions of firm's performance. It is connected with political stability, tax guidelines, trade regulations, safety regulations, and employment laws. It is

marketing macro-environment element comprising steps of public structures and regulations that affect marketing decisions and implementation.

- Economic environment is a marketing element of macro-environment that manifests itself in certain economic development patterns and trends that affect marketing decisions and actions. This would include factors like inflation, interest rates, economic growth, the unemployment rate and policies, GDP and special country conditions.
- Social - cultural environment is an element, reflecting the external impact of society to the organization, its marketing decisions and their implementation. It relates to the elements like customer demographics, cultural limitations, lifestyle attitude, and education. Also it relates to customer portrait.
- Technological environment is a marketing macro environment element covering positive or negative technology impact the product or service. These factors are new technological advancements, the role of the Internet and its services and tools (Contributor, 2013).

This analysis can be extended by describing of Legal and Environment conditions (PESTLE). Also it has other variants and its implementation depends on goals and industry specific (Grasseová, Dubec, Řehák, 2010). It is often used in collaboration with other analytical tools like the SWOT analysis, Porter's Five Forces and competition analysis to give a clear picture of a situation and related factors.

### **3.9.2 SWOT analysis**

Philip Kotler explains SWOT analysis as “a distillation of the findings of the internal and external audits which draws attention to the critical organisational strengths and weaknesses and the opportunities and threats facing the company” (P.Kotler, Andreasen, 2007). It shows internal (strengths and weaknesses) and external (opportunities and threats) environment. Opportunities and threats are needed to identify the main problems and its solving. The purpose of the analysis is to see the strategy and direction of company's further actions.

Internal (strengths and weaknesses) describe financial and physical resources, human

resources, current processes access to natural resources and its usage. Strengths tell about positive attributes, both tangible and intangible, weaknesses are represented by internal, negative factors. External (opportunities and threats) is characterized by forces impact the company as economic climate, demographic changes, technology, competitors activity and all factors are outside of the firm.

Analyzing all factors mentioned before leads to formulation of four possible resulting strategies (table 3).

Tab. 3 The strategies of SWOT analysis

	<b>Opportunities</b> (external, positive)	<b>Threats</b> (external, negative)
<b>Strengths</b> (internal, positive)	<p><b>Strength-Opportunity strategies</b></p> <p>Which of the company's strengths can be used to maximize the opportunities you identified?</p>	<p><b>Strength-Threats strategies</b></p> <p>How can you use the company's strengths to minimize the threats you identified?</p>
<b>Weaknesses</b> (internal, negative)	<p><b>Weakness-Opportunity strategies</b></p> <p>What action(s) can you take to minimize the company's weaknesses using the opportunities you identified?</p>	<p><b>Weakness-Threats strategies</b></p> <p>How can you minimize the company's weaknesses to avoid the threats you identified?</p>

Source: T. Berry, 2017

Once an organization determined strategies, it should include them in its strategic plan for regular review and implementing it for better performance (Berry, 2017).

### 3.9.3 Porter's Five Forces Model

The next one useful analysis is Porter's Five Forces. It is used for understanding the competitive forces of firm's environment. This model is a tool to reach industry attractiveness, to see how trends will affect industry competition, and how the organization could position itself for success (Grasseová, Dubec, Řehák, 2010). These 5 forces are the following:

- **Bargaining Power of Service Providers (Suppliers)** means the organization should answer the questions how many suppliers are in the market, how much influence do sub-contractors or partners have on it?
- **Bargaining Power of Grantmakers (Buyers):** grantmakers are buying the social impact showed by the organization.

- **Competitive Rivalry** explains the level of competition in the sector and how is the situation in general. It is about competitors and their power, niche and position.
- **Threat of Substitution** answers the questions: How likely will a grantmaker or member switch to a competitor? How easy is it to find an alternative to this product or service? (A. Jesus, 2009)
- **Threat of New Entrants** can explain how likely the new organizations or programs may enter the market (Elliot, 2014).

#### **3.9.4 Analysis of competition**

Analysis of competition is an assessment of the strengths and weaknesses of current competitors. A marketing competitor analysis is a critical part of the marketing strategy. This analysis helps you to formulate how to run your marketing plan.

It starts with identifying organization's competitors sharing the same market and oriented to the same audience, their activities and impact on the organization, scope and nature of the sector.

Next step is comparing their content and structure regarding key components and characteristics. Here the researcher should find what benefits they provide, their core strengths.

A quick and easy way to compare them is to make a competition grid or table. The researcher puts himself in the customers' shoes and wonder why they would go for competitors instead of coming to him.

After that these features (as market share, advertising and campaign, channels of distribution pricings, discounts etc.) can be ranked by giving each one a weighting or points which will be summarized in the end. This step will determine the leader and its core competences.

The last thing is identifying areas for improvement (Porter, M.E., 1980).

#### **3.9.5 Promotional mix as IMC tool**

Promotion is the coordination of all sellers' initiated efforts to settle the channels of information with a purpose sell goods and services or manifest and spread an idea.

Promotion must match the SMART goals: specific, measurable, attainable, reasonable, time-limited (Belch, G. E., Belch, M. A., 2001).

While company's communications occurs through the different marketing mix elements, most of its communications and actions are happening in terms of promotional program. The basic set of tools companies use to reach their communication objectives are often referred to the promotional mix.

Traditionally it has included four elements: advertising, sales promotion, public relations and publicity, and personal selling (figure 5). However, nowadays direct marketing as well as interactive media have become a significant part of marketing. It must be admitted, that all elements are different in their forms and display certain advantages.

Fig. 5 Elements of promotional mix



Source: Belch, G. E., Belch, M. A., 2001

**Advertising** can be used to create brand images and symbolic associations with a company or brand. For NPOs, it is a very important capability to differentiate from each other and gain a foothold in consumers' minds. The tables below illustrate top 10 best companies-advertisers in the WARC 100, 2017 (table 4) and top 10 marketing campaigns in the WARC 100 in 2017 (table 5).

Tab. 4 Top 10 marketing campaigns in the WARC 100 in 2017

### Top 10 best advertisers in the WARC 100, 2017

Rank	Last Year	Agency	Points
1	1	Procter & Gamble	503.3
2	2	Unilever	478.2
3	14	Nestlé	308.3
4	5	PepsiCo	268.4
5	4	Heineken	248.9
6	8	Mondeléz International	239.2
7	13	Mars	210.2
8	15	Vodafone	195.8
9	3	The Coca-Cola Company	188.7
10	New*	John Lewis	163.4

Source: *Marketingmagazin.eu, WARC 100, 2017*

Advertising is the paid demonstration of ideas, goods, or services with using the following channels: print and banner ads, radio, television, billboards, direct mail, brochures and catalogs, signs, in-store displays, posters, mobile apps, motion pictures, web pages.

Tab. 5 Top 10 marketing campaigns in the WARC 100 in 2017

### Top 10 marketing campaigns in the WARC 100, 2017

	Campaign title	Brand	Primary agency	Product category	Location	Points
1	Share The Load	Ariel	BBDO / Mediacom	Household & domestic	India	164.2
2	John Lewis Christmas ads, 2012-2015	John Lewis	adam&eveDDB / Manning Gottlieb OMD	Retail	UK	142.2
3	Lucy the Robot	Double Robotics	Atomic 212° Group	Technology & electronics	Australia	95.0
4	Rabbit Race	Media Markt	Ogilvy & Mather / UM	Retail	Germany	84.2
5	Raising Eyebrows and Subscriptions	The Economist	Proximity London	Media & publishing	UK	68.3
6	Diving into Data for Narellan	Narellan Pools	Affinity	Retail	Australia	64.5
7	World Gallery	Apple	TBWAMedia Arts Lab Los Angeles	Technology & electronics	USA	64.2
8	#LikeAGirl	Always	Leo Burnett / Starcom	Toiletries & cosmetics	Global	52.2
9	#MyFamilyCan	SPC	Leo Burnett	Business & industrial	Australia	51.2
10	Infrequent Flyers	Tigerair	McCann	Business & industrial	Australia	49.6

Source: *Marketingmagazin.eu, WARC 100, 2017*

**Sales Promotion** is a time limited marketing communication technique used for increasing buyer demand, stimulation popularity and providing extra value (Pettitt, 2006).



Sales promotion is divided into two major categories:

*Consumer-oriented sales promotion* is aimed to the user of a product or service and includes couponing, samples, premiums, rebates, contests, sweepstakes.

*Trade-oriented sales promotion* has a form of merchandising allowances, price deals, sales contests, and trade shows.

**Public relations** or publicity is a nonpersonal communications realizing by a third party in an indirect way regarding an organization, product, service, or idea. It is not directly paid for by the company. This includes press releases (articles) or corporate anniversary parties, TVs and radio presentations, charitable contributions, conferences, speeches, seminars, photographs, films, and videotapes (Boone, Kurtz, 2008). It is defined as “the management function which ...executes a program of action to earn public understanding and acceptance” (Lerbinger, 2005).

In contrast to publicity, public relations has a purpose to establish and maintain a positive image and uses other tools such as special publications, fund-raising, and sponsorship of special events (Kotler & Gary, Principles of marketing, 2012).

**Direct Marketing** is an instrument aimed to direct communication with the customer: mobile messaging, email, interactive websites, catalog distribution, promotional letters, and outdoor advertising (Boone, Kurtz, Learning, 2010).

**Interactive/Internet Marketing** is a new millennium tool using interactive media and Internet, kiosks, and interactive TV, Google AdWords, Internet ads with gif-animation. (Belch, G. E., Belch, M. A., 2001).

**Personal selling** is a direct either face-to-face or through some form of telecommunications such as telephone sales. Examples include sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing (Boone, Kurtz, Learning, 2010; Lamb, J. Hair, C. McDanie, 2011, Gilbert D., 2008; J. Longenecker, J. Petty, L. Palich, 2011).

But there are more tools that can be observed and used.

**Trade shows** is an extended version of personal selling when several buyers can be

reached in the same time but it is followed by high competition.

**Word of mouth** is an external process that based mainly on customers' satisfaction/dissatisfaction and therefore the company's image. By oral information passing customers share their experience between each other and create positive or negative word of mouth that can influence the product/service demand significantly.

### **3.10 Erasmus Student Network overview**

According to the esn.org data, Erasmus Student Network (ESN) is an international student NPO with local representatives in over 1000 universities and colleges from 40 countries. Its organizational type is an international NGO (INGO) with official legal status "Association without lucrative purpose (AISBL)" and educational aim. The headquarters are located in Brussels, Belgium. The address is Rue Joseph II / Jozef II-straat 120, Brussels 1000, Belgium (esn.org, 2017).

Nowadays Erasmus Student Network is the biggest student association in Europe. Its contact phone is +32 (0) 22 567 427. The E-mail addresses are secretariat@esn.org and info@esncard.org for questions regarding issues with ESN card and discounts. Opening hours are from Monday to Friday, 9AM - 5PM (esn.org, 2017).

ESN is always replenished by new volunteers and sections. It has around thousands active members and buddies (mentors) who mainly taking care of incoming international students. Therefore, ESN includes approximately 40,000 young people offering its services to around 220,000 international students every year. All activities are mainly on a volunteer basis. A lot of members are those who are returning from exchange and support reintegration process in their home countries by keeping contact with an international environment. It is caused by former exchange students came back from their exchange that have had good experiences there. On the other hand, some of them felt a lack of help during their exchange so they want to help international students coming to their countries. Additionally, they understand better the issues; they are more experienced and well-oriented in possible difficulties.

ESN is created for the organizing of mobile and flexible education environment. The association supports and develops the student exchange among different educational levels, and provides an intercultural and international experience for its members.

The main focus of ESN is placed on current Exchange and Erasmus students, who face different problems and feel abandoned and lost in their new environments, need help in academic, social and practical integration process. In order to help, local sections make activities which include cultural and social events such as trips to various places within the country, film nights, language projects, international food evenings and last, but not least, parties. An important point is that many sections have introduced mentor (buddy) systems for tutoring mainly in academic and practical integration, adaptation and survival in new environment.

### 3.10.1 Aims & Principles

All main **aims** of ESN can be grouped as follows:

- Working in the interest and for the benefits of international students taking part in an exchange program, regardless of their provenance, representation of the needs, rights and expectations of exchange students in general on all levels;
- Working in order to improve the social, cultural and practical integration of international students;
- Provision of relevant information about academic mobility programs and possibilities to study abroad, ESN activities and resources;
- Motivation for students to study abroad and direct or indirect promotion the exchange experience;
- Working with the reintegration and reunion of incoming students;
- Contribution to the improvement and accessibility of student mobility, its conditions for present and future exchange generations of students;
- Carrying about its members;
- Support and respect to the values of volunteering;
- Using the experiences of homecoming students by making them ESN members active in the network;
- Offering services (activities, events, trips) and goods (ESN card, souvenirs) for all students and welcomes all students to participate in its work regardless if they are mobile or not (esn.org, 2017).

The main **principle** is that ESN is voluntary and self-governed, separate NPO that does so without being associated with any political or confessional group. The ESN principles are the represented on the figure 6.

Fig. 6 The principles of Erasmus Student Network



Source: Pasierbiewicz, 2017

The values of Erasmus Student Network are clearly demonstrated in Appendix 1. Among the main values are cooperation, friendship and help.

### 3.10.2 History

ESN was founded on the 16th October 1989 and legally registered in 1990. It received its name because of the spirit of Erasmus, the famous Dutch Renaissance humanist from Rotterdam that symbolizes student mobility today (esn.org, 2017).

In 1987 it started its interactions with the European Community (EC) what was pulled together with extending of popularity of the Erasmus program for students in order to provide them an opportunity to study abroad during receiving their degree. Gent meeting, Belgium in 1989 became the start for the Erasmus Student Network. The basic idea sounded like “*students helping students*”, which is still the most important motto of ESNers. The first section that started with the official representative name Erasmus Student Network was Utrecht one in The Netherlands (16.10.1989). In a similar way the other ESN sections were founded in various European universities. The European Commission supported financially, and ESN International became a legal association. By 1994 ESN grown to 60 sections in 14 countries and it was expanding continuously. Through the years it became a huge network that celebrated 28 years in 2017. New technologies have improved relations between sections, gave rise to more frequent meetings, platforms and team buildings and strengthen the links between its parts. 2004 became the year the ESNcard introducing, a discount card with special number that could be used for 1500 various discounts in all member countries. Becoming more representative and serious in September 2005, ESN established an official seat in Brussels, where now the International Board, the Secretariat, and interns are working full time. Besides, currently

ESN cooperates with Council of Europe and relates to European Commission, the main its stakeholder. 2016 was characterized by re-entry of Azerbaijan and the ascension of Liechtenstein; also Belarus became ESN's 40th member country (esn.org, 2017, Pasierbiewicz, 2017).

### **3.10.3 Structure**

First of all, an important point is that Erasmus+ Student and Alumni Association (ESAA) is an umbrella organization that brings together Erasmus Mundus Students and Alumni Association (EMA), Erasmus Student Network (ESN) and other associations.

It is notable that ESN system also refers to ISC (International Student Club) which does not offer exchange or traineeships but supports volunteering in international with the possibility of foreign language practicing, trips, foreign languages evenings for Erasmus.

ESN is operating on three levels: local, national, and international. The International Board of Erasmus Student Network consists of 5 elected board members elected for one year. The positions are shown in Appendix 2.

Following the Appendix 3 "The organization structure of ESN" there is The Council of National Representatives (CNR) composed by all National Representatives (NRs). The International Board consults CNR about ESN's strategy and policy. The CNR has meetings six times per year when makes decisions by voting (Pasierbiewicz, 2017). And every year a new Board is elected at the Annual General Meeting of ESN.

Also ESN AISBL is supported by employees who are headquarters in Brussels. The ESN network consists at this moment out of 40 countries and 534 local sections (Appendix 4) and 16 partner countries: Armenia, Moldavia, Ukraine, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia, Albania, Kosovo, Montenegro (Naerasmusplus.cz, 2017). The Secretariat takes care of the network's general cooperation and administration and its members 2017 are shown in Appendix 5 (esn.org, 2017).

The ESN National Board of Czech Republic is shown in Appendix 6. ESN Czech Republic sections are represented by 18 sections from different Czech cities (Appendix 7).

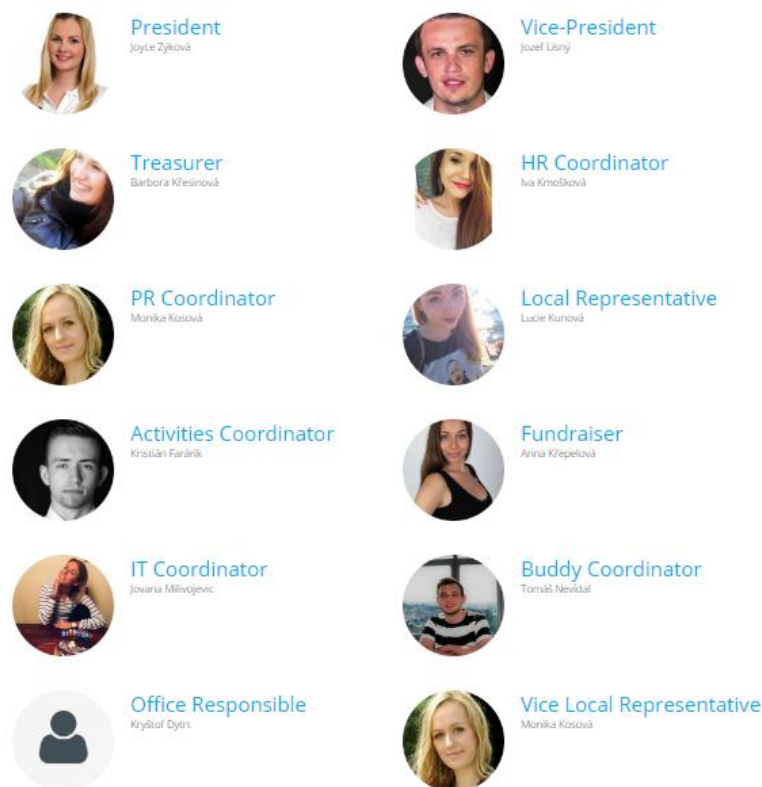
## 4. Practical Part

This part contains empirical research of marketing communications of ESN CULS Prague.

### 4.1 ESN CULS Prague

**Erasmus Student Network of Czech University of Life Sciences Prague (ESN CULS Prague)** is a full ESN member from May, 2015 and has its legal form as registered association (zapsaný spolek). Its office is located at CULS campus territory what is really comfortable both for members and ESN customers (address: Kamýcká 1280, 165 21 Prague, Czech Republic). Currently ESN CULS Prague involves 67 members and 309 active buddies (mentors). 12 of them form the local Board (figure 7).

Fig. 7 ESN CULS Prague Board members 2017/2018



Source: ESN Czech Republic, 2017

### Financing of ESN CULS Prague

Financing of ESN CULS Prague is provided mainly by university's international relations department when the section organizes and supports university events, actions and

campaigns. Financing has a form of cash back that means it based on invoices and bills ESN provides as report of its expenses.

The biggest part of expenditures is trips and visiting platforms and ESN meetings. The last ones are partly paid by money allocated for ESN from sponsors and donors and partly (travel costs) by members. The trips costs are covering by fees paid by students attending it.

This section has a special position - fundraiser to deal with sponsorship, agreements and partnership.

In following chapters we will analyze the marketing communications situation of ESN CULS Prague including possibilities, environments that can affect its development, also marketing decisions through variety of marketing communication forms and activities.

### **Partner organizations**

Since ESN is the Europe's biggest student organization it is important to be in touch with other ones sharing similar interests and ideas. ESN is involved in organizations and collaborates through the Liaison Office and the International Committee for Education.

The corporate ESN's partners are Accenture Careers, Ryanair, Hostelling International (discount in over 4.000 hostels), Dr. Walter (Insurance for Erasmus+ students), Spotahome (accommodation), Study Portals (The Global Study Choice Platform), Uniplaces (Accommodation for Erasmus students).

The partner organizations are:

- **AEGEE** (Association des Etats Generaux des Etudiants de l'Europe) is one of Europe's biggest student organizations with 13.000 members in 40 different countries. AEGEE supports the mobility and exchange of students all across Europe and has the goal to bring Europe closer to young people. To do such they organize trips, intercultural exchanges, summer universities and conferences. It orientates mostly to informal education, travelling and self-improvement through workshops and conferences. AEGEE membership fee costs 500 CZK. The exchange lasts from 5 days to 3 weeks in a form of summer universities and offers

differentiated specific topics (aegee.org, 2017).

- **ESU** (The European Students' Union) is the umbrella organization of national unions and its goal is representing and promotion of different interests of students in institutions in Europe and particularly the European Union. ESN is associate member of ESU cooperating on the European level.
- **EMN** (The Europe mobility Network) improves mobility and international experience. ESN as its part creates space for networking and cares about collaboration regarding projects.
- **IFISO** (Informal Forum of International Student Organizations) is a huge informal forum for international NGOs and NPOs organizations related to student life and its problems.

Another two institutions are the **European Commission (EC)** and **Council of Europe (CE)**. The main stakeholder for ESN is the Erasmus Unit of the European Commission. EC supports ESN regarding the implementation and promotion of Erasmus+ programme. They have a mutual interest of mobility promotion to students in Europe as major and closest partners.

#### **4.2 Analysis of ESN CULS Prague**

ESN CULS Prague and ESN in general are influenced by a lot of forces both internal (for instance, members, representatives, national and international board) and external forces.

Communication objectives are reflected in ESN' motto "Students Helping Students" and mission consisting in guidance offering to international students who are spending a part of their school education at universities abroad to represent them with their interests, help them with problems solving, adaptation, providing information and opportunities for cultural exchange and self-development under the ESN's motto.

The **current external marketing communication objectives** are to attract as much as possible Erasmus, expand the range and quality of activities together with increasing the turnout to ESN events (especially to those are in less demand).

Since ESN CULS Prague is a section of huge NPO the main its assets are a brand and



reputation. Therefore, the important idea is ESN brand promotion to make word of mouth working on the rising ESN's popularity for the current and next Erasmus and Exchange generations.

#### **4.2.1 Internal analysis**

ESN CULS Prague streams information about university, life in the campus and in Prague, helps incoming students to settle down in the new environment and to meet new friends during events its members organize. Besides Buddy system (mentors) ESN together with Faculty of Economics and Management of Czech University of Life Sciences uses Buddy system for Exchange students coming to CULS.

ESN services are low-priced. For instance, Pilsen trip costs 450 CZK (with ESN card) and includes brewery tour + transportation. Similar price of competitor Prague Hang out Friends' trip costs 650 CZK with ISIC and 730 CZK without it and includes brewery tour, transportation and city centre tour.

In addition to written above, ESN tries to respond quickly for customer needs, offers, make changes and improve itself in order to provide higher quality services.

Inbound logistics is represented by timely replenishment of stocks of materials necessary for successful activities organization and organization functioning (office necessities: papers, colours to printer, markers, trash bags etc.). Before every event members make a list of necessary equipment ESN needs in advance.

Outbound logistics represents the services that are provided on time but here there are some minuses. Events release and notifications posting are not always on time but it should be because students may want to plan their semester trips, free days and evenings and check their calendars.

ESN uses University's and its own equipment bought for its functioning and events carrying on (microphone, computer, printer, barcode scanner, tables, and board). Some equipment has ESN logo on it (ESN tent, ESN photo wall, promo material). The level of automation is middle since there are microphone, computer, printer, scanner but microphone is very bad as well as there is a need for software license updates.

#### 4.2.2 Marketing mix analysis

Currently there is no official written marketing plan and research connected to services ESN CULS provides. All directions, ways and short-term plans of bringing ESN ideas to reality are discussed on Board and members meeting in words by brainstorming and put to the shared Excel file and Google Drive. ESN CULS Prague follows social marketing concept as NPO. But for ESN as for NPO interacting with students constantly would important to pay attention to IMC.

**Product** or in case of ESN CULS Prague services (and additionally products) are represented by different activities such as educational meetings, entertainment gatherings, evenings, presentations, dinners, trips, parties and games. As follows from ESN goals and principles, all these activities are aimed to help students with integration and adaptation, to feel comfortable in a new atmosphere and make new friends. ESN supports via possible problems solving and teambuilding. The variety of services is divided in two semesters in such a way that some events are repeated when other change depending on holidays, weather, other university events etc.

Each semester starts Welcome week which included the following events (figure 8).

Fig. 8 ESN CULS Prague winter semester 2017 Welcome week overview



Source: Facebook.com - ESN CULS Prague, 2017

Also ESN offers Welcome pack that includes Vodafone sim card, ESN bag, ESN CULS Prague tissues, city map, ESN card, brochure with information about university, tourist information with recommendations, ESN semester events overview, ESN badge.

After Welcome week finishes ESN CULS Prague makes the further events, trips and projects that can have small difference from year to year (figure 9).

Each event has a responsible person who coordinates all its process.

For Winter semester 2017 ESN CULS Prague offered the following activities:

- Říp, Pilsen, Český Krumlov trip, Karlovy Vary and Kutná Hora, Karlštejn trips
- Every Thursday Beer pong/Country night event
- Erasmus Reunion party with ESN Slovak Republic, Erasmus generation party, Responsible party
- Flag Parade Prague (30 years of Erasmus program celebration)
- Study Abroad educational event
- Erasmus Prague games (sport event)
- Ice hokey meeting with ESN CULS Prague
- International dinner and Erasmus Awards
- Shooting stereotypes
- Speak and eat – Language Exchange
- Ice hockey with ESN CULS

Since summer semester has more possibilities and a bit longer then winter one it is supplemented by BBQ, International women's day's dinner, ice-skating gathering.

Fig. 9 ESN CULS Prague winter semester 2017 events overview



Source: Facebook.com - ESN CULS Prague, 2017

Additionally, it is possible to buy souvenirs with ESN CULS Prague logo what composes a by-product.

### Price

Since ESN is NPO a possibility to use ESN services is not always linked with fee. However, some events participation logically requires some payment. Pub Crawl Event required collecting a fee of 200 CZK/person and that money were immediately spent to the students. Czech country night was sponsored by ESN (Czech food) and for the rest events members just gathered students together and each paid by his/herself. Beerpong participation fee is 50 CZK/team with ESN card and 100 CZK/team without. Country night presentation students' costs are covered later by cash back method when bill is shown (same with international women's day's dinner). Welcome pack costs 250 CZK with sim card and 150 CZK without. Internet cables are available for 80 CZK. Trips are also paid by students in ESN office where they receive a confirmation with a stamp. Other activities

required entrance and expenses for food are paid voluntarily by students.

## Place

The services such as trips and special events (Bonfire, Laundry bar, ice-hockey, Erasmus Prague games) are available in a places agreed and announced before. If it is a campus activity, the event takes place at University mainly in Club C and Kruhač. Some products and services are available in ESN office in JIH dormitory.

## Promotion

All services are promoted by all members using Facebook and Instagram (posts in Erasmus group and reposts of members), by posters on university area, by providing information in the ESN office, and in ESN Welcome pack.

Also ESN CULS supports and promotes some university events, parties and sport activities. Besides, it has souvenir promotional materials (glasses - 200 CZK and plastic cups - 100 CZK) for sale badges and stickers (free) (Picture 10). Some of those are also provided as prizes for competition on Responsible party.

Fig. 10 ESN promotional materials



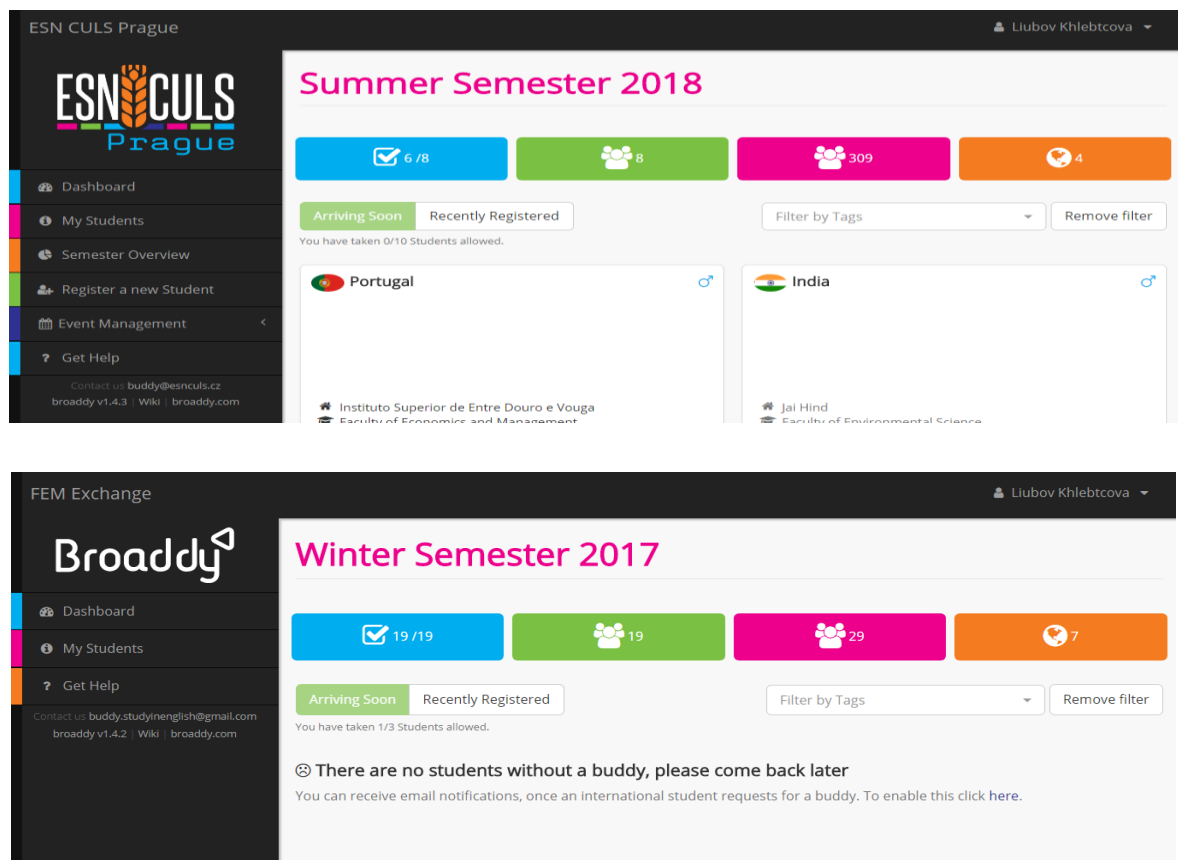
Source: author's photos

ESN has advertising posters in CULS campus as well as videos, photos and reports on its Facebook page (Appendix 8).

The ESN distribution channel is direct straight to the customers. Since it is NPO and ESN offers mostly services, motivation and demand depend on its quality and attractiveness and reputation from the first day of contact between ESN members and students.

Similar to the other ESN sections ESN CULS Prague has its own website: esnculs.cz. But other than that, it has the other services as Buddy.Go and Broaddy.Go (figure 11).

Fig. 11 ESN promotional materials



Source: *my.esnculs.cz, 2017, studyinenglish.cz, 2017*

### Organization's image of quality and reputation

The main asset of ESN is its brand with its details. The ESN logo is unique by the combination of the design of the name and form, which combined constitutes the ESN logo. This means that image and text are inseparable (figure 12).

Fig. 12 ESN logo and trade mark name



Source: *Lodz.esn.pl, 2017*

The ESN Star represents the ESN Members standing in a circle and holding each other's hands, supporting and helping each other. They are different (four colors) but unite and united. Circle means ESN does not have a centre, but rotate together. The word I\*ESN keeps the acronym of the name (I = me, I= International) (my.esnculs.cz, 2017). "Exchange", finally, recalls the colors of the stars and assumes the role of explanation (figure 13).

Fig. 13 ESN CULS Prague logos



Source: *my.esnculs.cz, 2017*

But the ESN logo has options and variants (Lodz.esn.pl, 2017). ESN CULS Prague as every section has its own distinctive sign (connected with university logo) logo with a wheat spike.

### **Organization's image, logo and reputation, brand loyalty of customers**

The brand is not so much familiar to Erasmus students but members by wearing t-shirts and putting logo on flag, to all events and presentations are making it recognizable to students. It is also connected with #esnculsprague and motto "Be cool with CULS".

ESN is perceived as good informed and experienced people are ready to help especially

when it is urgent. The brand is associated with youth, friends and international relationships, good emotions and enjoyable memories.

### **People**

Here it is also important the personality of ESNers, the way they provide a service, how communicate and behave. Members try to be open, helpful, kind and patient when interacting with students. They are important asset that owns skills, competences, knowledge and experience.

### **Physical evidence**

Physical evidence is represented by Facebook group appearance and ESN webpage design. There are a lot of videos and photos that are marked with ESN logo. Also all members have their ESN mailboxes and wear special ESN t-shirts on all important events. Besides, ESN posts its own small brochures and flyers.

### **Processes**

Processes start with log in and applying by foreign students for buddy. All registration processes are taken place in ESN office, except online registration for Country night and International dinner. And only beerpong registration is possible to do on spot.

### **Philosophy**

ESN philosophy flows out of mission, objectives and principles and illustrates main values (help, friendship, informing an openness) that are proclaimed during all interactions. ESN underlines that all work made by them is voluntary and motivated by passion to help people.

#### **4.2.3 External analysis**

There were four analyzes chosen for external analysis specification: PEST, Porter's 5 forces and competition analysis, SWOT.

#### **4.2.4 Macro environment (PEST) analysis**

The PESTEL analysis model is more detailed and concrete but PEST analysis is enough regarding to the ESN's organizational type and adjectives we are reaching in this paper.



That's why we grouped political and legislative factors illustrates and excluded environmental factors because ESN has no a great influence on it.

### **Political factors**

Undoubtedly, the political and legislative environment of ESN CULS Prague is significant. Nowadays the non-profit sector in Czech Republic is not very developed but constantly growing with good perspectives and potential. Fortunately, the political situation in a country is quite stable.

Since ESN CULS Prague is a section of international organization, it is also important to follow the decisions of the European Union. ESN in general provides association development by expanding services in developing countries. That also means that any political or legislative changes affect the association.

ESN CULS Prague was founded 19.08.2015 as association with IČO 04161025 (Organization Identification Number) according to the Law 89/2012 of the New Civil Code (Zákon č. 89/2012 Sb.).

Since it is an association registered under the Ministry of Interior of Czech Republic it has to comply with the Czech legislation regulating the rights and obligations of non-profit organizations. A new version of the Civil Code which regulates the functioning and organizational structure of civic associations was issued in January, 2014. Therefore organizations must undergo the reforms that are contained in the New Civil Code and make necessary status changes by transforming from civic association (občanské sdružení) to interest association (zájmový spolek). ESN CULS Prague was founded later, that is why it had the new status from the beginning.

The meetings, platforms and other forms of cooperation between sections, travelling to non-EU countries and non-Schengen countries, and vice versa, affects communication because of the visa requirements.

Historically ESN cooperates with European Commission who is currently the main its stakeholder and collaborates with Council of Europe which means ESN is in charge to support its interests and recommendations if any (P. Bachmann, 2011).

Legislations that are regulating separate marketing areas and its' complex elements (product, price, place, promotion) are very important. These should include service quality, safety, labeling, pricing, promotional activities governing documents with respect to EU norms.

From the this point of view there are no barriers for implementation of marketing communications expect general rules as prohibition of promoting drugs, weapons, hate and pornography, violence. And it is highly recommended not to promote other organizations and firms by members for your own benefit.

### **Economic factors**

The main indicator for describing the economic environment is the gross domestic product change. Talking about Czech Republic, its GDP grew 2.5% in the second quarter of 2017 compared to the fourth quarter of 2016 (table 6).

Tab. 6 GDP in the Czech Republic 2017

<b>Czech Republic GDP 2017: Quaterly GDP evolution</b>			
<b>Date</b>	<b>Quat. GDP Mill.\$</b>	<b>Quat. GDP Growth (%)</b>	<b>Quat. GDP Annual Growth (%)</b>
2017Q2	43,067M.\$	2.5%	4.7%
2017Q1	42,120M.\$	1.5%	3.0%

*Source: countryeconomy.com, 2017*

The year-on-year GDP change was 4.7% which is 0.17% higher than the 3% recorded in the first quarter of 2017. GDP per capita is \$4,487 which is \$313 higher than the same quarter last year. The GDP of the second quarter of 2017 was \$43,067 million (table 5).

Tab. 7 GDP in the Czech Republic 2016

<b>Czech Republic GDP 2016: Quaterly GDP evolution</b>			
<b>Date</b>	<b>Quat. GDP Mill.\$</b>	<b>Quat. GDP Growth (%)</b>	<b>Quat. GDP Annual Growth (%)</b>
2016Q4	47,311M.\$	0.4%	1.8%
2016Q3	39,214M.\$	0.2%	1.8%
2016Q2	49,128M.\$	0.8%	2.8%
2016Q1	47,621M.\$	0.3%	3.5%

*Source: countryeconomy.com, 2017*

Inflation rate grew by 2.5% (September 2017) in comparison to the previous year and returned to target after three subdued years. The labor market is strong and the unemployment in Czech Republic is the lowest in Europe 2.7% and decreased on 0.2% when youth unemployment was 7.5% (September 2017) which is the third lowest in Europe. Labor cost index increased by 3.6% (Q2 in comparison to Q1 2017) and by 11% regarding Q2 2016. But General government gross debt was 39.4% of GDP (Q2 2017) and 36.8% of GDP in 2016. The abandonment of the exchange rate policy by the central bank raises: Czech Republic has increased its interest rates by 0.25 percentage points, from 0.25% to an annual rate of 0.5% (August 4th 2017) (Ec.europa.eu, 2017). The currency is quite stable 1 EUR = 25.65 CZK (4.11.2017) and remains approximately the same and a straightened during 2017 (countryeconomy.com, 2017).

The average wage reached 29,346 CZK/Month in the second quarter of 2017 from 27,889 CZK/Month in the first quarter of 2017 which is quite low in comparison to other European countries when the minimum was 11,000.0 CZK/Month. Also the Czech Republic was identified as the second biggest gender pay gaps country (22.5 %).

Since ESN CULS Prague orientates to international students there shouldn't be a problem with promotion of paid services (as ESN Card, trips and money consuming events) because Czech Republic is pretty cheap country for leaving in Europe accordingly to the price level (table 7). Also payment systems are developed and spread everywhere.

Tab. 8 Price level index and Household final consumption expenditure (HFCE) 2016, EU-28=100

	HFCE	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing	Footwear
Czech Republic	65	81	71	96	87
	HFCE	Electricity, gas and other fuels	Furniture and furnishing, carpets and other floor coverings	Household appliances	Consumer electronics
Czech Republic	65	89	70	92	91

Source: Eurostat, 2017

Consumer Price Index CPI in Czech Republic was unchanged at 197.80 Index Points in

September 2017 (tradingeconomics.com, 2017).

### **Social – cultural factors**

ESN's services target market are international Erasmus and Exchange students and graduated young people coming for internship mostly 20-25 years old (23 in average) that have average income (400 euro/months Erasmus scholarship, plus savings or parents' financial help). Each semester this number is about 400-500 students and according to the CULS International Relations Office winter semester 2017 is characterized by 594 Erasmus and Exchange students that is not big but very different with their cultural, national and social features, differentiated group of people who would use ESN CULS Prague services.

Speaking in detail, 398 students registered in Buddy system and 19 in Broaddy in winter semester 2017 for applying for buddy and possibility of registration to the trips. Comparing to the previous semesters this number grows rapidly. Since section started its work in winter semester 2015, the available data starts from this time and it was 293 registered students. Summer semester 2016 was characterized by 247 registered students, winter semester 2016 – 381 students. However, summer semester 2017 showed only 229 students signed but winter semester 2017 indicated 398 students which is good number. The higher number of students registered in winter semesters than in summer is caused by the fact that some students coming for one year and once they register in winter semester they do not need to do it in second one.

Also in some cases the target audience is supplemented by local Czech and international regular students attending ESN events (sometimes they buy ESN souvenir or go to trip, join excursions and parties organized by ESN or even participate in Welcome Week or Erasmus sports events what increases ESN's popularity). This means that ESN service's target market can even slightly expand.

Talking about their educational level, ESN's audience is students (bachelor and master degree). In average it is 3<sup>rd</sup> study year. These people are mostly from European countries with different mentalities, interests and beliefs. They are very mobile, sociable and travel a lot. These students experience lifestyle changes due to the moving abroad. Leisure time is full of travelling, sightseeing, integrating, new cultures and meeting people.

Nowadays, ESN services are universal and mainly specify on active and open-minded people but also tend to push different people to adapt to new atmosphere and people who they will spend one or two semesters together with (ice-breaking meetings, Buddy.Go and Broaddy system goals). It is curious that various events collect different Erasmus and Exchange students. People coming to beerpongs with different topic of event, bonfire evenings, sport events, trips, movie nights, ice-skating meetings are different groups and sometimes unmatched with their hobbies and interests but the core group involving in ESN events mainly remains the same during the semester.

Talking about culture aspects, the experience shows that there not that much of them very religious except minority from France, Spain, Poland and the Netherlands since they are from religious families and countries with high percentage of religious people.

From experience of working in ESN it is easy to discover that ESN's target group is pretty liberal and ready for new ideas, changes and innovations, adventures and new experience. They support the idea of social mobility and lifestyle changes.

### **Technological factors**

Technological factors which affect ESN CULS Prague are high popularity of Facebook, Instagram, YouTube, different services and portals. Currently there are no spendings by the government on research and new discoveries. ESN by itself with the help of main stakeholder conducts research (ESN Survey), collaborates and consults among its sections regarding technological efforts. Technical progress impact for advertising is also obvious. New mass media and technologies used for advertising production allows you to create more interesting, more efficient and more customer compelling advertising. Developing in technologies and IT helps ESN a lot with cost marketing communications and representing it everywhere. ESN Card system (similar to ISIC) allows students to use discounts and promote ESN brand. Facebook, Instagram and WhatsApp are core social networks and applications which are the mail communication channel when promoting ESN. Internally important technological instruments are Trello, X Drive, ESN Gmail, Skype, ESN CULS Prague [esnculs.cz/#](https://esnculs.cz/#), [my.esnculs.cz](https://my.esnculs.cz) (Buddy.Go) and [buddy.studyinenglish.cz](https://buddy.studyinenglish.cz) web pages. By ESN Survey there were found partners as Ryanair, Hostelling International (Discount in over 4.000 hostels), Dr. Walter (Insurance for Erasmus+ students), Spotahome (accommodation), StudyPortals (The Global Study Choice Platform).

To make a conclusion, political and legal factors impact a lot due to the continual changes. Economical factors impact the price level and demand for ESN products and services. Social and cultural factors affect the most because of service specific and fact that marketing communications are closely connected with customers and their characteristics. Development of technologies allows ESN CULS Prague to operate in different social networks, portal, web pages, be mobile and modern and follow the latest trends.

#### **4.2.5 Porter's Five Forces model**

Porter's Five Forces model is divided in five active powers affecting the association.

##### **Bargaining Power of Service Providers (Suppliers) (high)**

Volunteers are very important part of service providers (suppliers) for ESN CULS Prague. ESN CULS Prague provides them valuable and fulfilling volunteering experience such as English and other foreign languages improving and practicing, improving personal skills, a lot of contacts and new friends all around the world, charity experience, increasing of self-confidence, meeting different cultures, widen the horizons, getting rid of stereotypes and prejudices. ESN benefits from communicating to donors in a comprehensive way about its programs and convincing them to provide generous funds. ESN is associate member of The European Students' Union (ESU) cooperating on the European level its umbrella organization.

ESN CULS Prague practices involve other organizations by appealing to their corporate social responsibility actions to be provided with equipment needed for its programs and cut program costs (prizes for winners on Responsible party - Vodafone, Miša and other), collaborates with some local partners:

- TigerExpress (journeys with up to 20% discount);
- Eurolines (20% discount);
- Ryanair (15% off flights, free 20kg checked-in bag);
- Mercuria (Laser Game) 10% discount;
- eMotion Tour Prague ("segways") 40% discount, with group of four - 750 CZK each for 2 hours tour;
- Sport center Hamr (Záběhllice) (80 CZK per hour Monday to Friday: 7:00 – 16:00 and on the weekends 7:00 – 23:00);

- Squash Haštal (A discount 30 CZK per person or 60 CZK per court per hour),
- Vaše liga (A discount 50 CZK if you wish to take part in their regular league or you can get 100 CZK discount on the registration at Vaše liga);
- Hit Fitness Flora (40% discount on one-time entry between 9:00-16:00);
- Restaurant Poja (20% discount on main dish after 15:00);
- ClockRoom (Exit Game) - The game is for five people maximum (instead of 1200 CZK you pay 890 CZK);
- Staropramen (10% discount at the Visitor Center of the brewery Staropramen);
- HOP ON – HOP OFF (25% discount from student prices at HOP ON – HOP OFF);
- CA Best Tour (25% discount from student prices on trips);
- Pizzeria “Sklípek” (ESN card discount) (Buddylnka.vse.cz, 2017).

Besides, there is ErasmusIntern job training program which helps to find Erasmus internship (unpaid practice but with scholarship).

Another big external impact on of ESN CULS Prague marketing activities is represented by the European Commission which is a major and closest partner of various mobility programmes. It is co-funded by Erasmus + programme of the European Union and since September 2005, was established an official seat in Brussels, where now the International Board, the Secretariat, and interns are working full time (esn.org, 2017). Also it receives grants for some programs and cooperates with the Council of Europe.

### **Bargaining Power of Grantmakers (Buyers) (high)**

The typical example of buyer are CULS Erasmus and Exchange students and interns of third, fourth and fifth year from Europe, 23 years old in average and mostly from Faculty of Economics and Management who have enough free time and interested in entertainment, events and trips, self-education, languages improving, food tasting and meeting new people and cultures. They travel abroad at least 2 times during their mobility and mostly to neighbor countries (Appendix 11).

### **Threat of Substitution (low)**

There is no perfect competitor who would supply the same services to the students of CULS. However, sometimes it happens that other Prague ESN sections (ESN UCT Prague, ESN VŠE Prague and N2N, IC CUNI, ISC CTU Prague or even ESN Buddy system HK) have competing events and trips taking place in the same day as ESN's CULS Prague ones.

### **Competitive rivalry (low)**

Among external competitors we can distinguish NPOs such as AIESEC and IAESTE.

**AIESEC** (Association Internationale des Etudiants en Sciences Economique et Commerciales) is the largest global student organization in the world. Their aim is to help students develop their skills and get new experience. Members can go for internships, participate in local meetings or help organize conferences, workshops and lectures. AIESEC requires a fee 5,000 CZK for internship abroad therefore a member gets an access to database offering internships. If a member finds it he/she pays 3,500 – 5,000 CZK for the possibility of going abroad (www.aiesec.org, 2017).

**IAESTE** (International Association for the Exchange of Students for Technical Experience) was created to help students of Science, Engineering or Applied Arts to find internships in over 80 countries worldwide (iaeste.org, 2017).

Moreover, it makes sense to distinguish some for-profit organizations taking care of Erasmus and Exchange students with providing them help, organizing trips and parties. For example, **AvenTouro** is a tourist agency making interesting and adventurous trips to interesting destinations (aventouro.eu, 2017). The other one is **Student Zone Prague**, a student events group for local and international students dealing with culture events, social gatherings and parties (Facebook.com – Student zone Prague, 2017). **Prague Student Chain** organizes the events, meetings and parties for all students in Prague (Facebook.com – Student Prague, 2017). Another one is **Prague Hang-out Friends**, the student organization works with a purpose to organize Erasmus meetings, guide tours and trips. Their obvious advantage that they can register Erasmus, Exchange, regular, high school or any local students without requiring of ESN or ISIC card. Also they have few dates you can chose for the same destinations (including abroad ones which ESN CULS does not



offer at all), so you do not to search for other agencies. Besides, they have some experience and have good paid promotion. One more is **Erasmus nation** organization dealing with festivals and trips for students. Among the rest substitutes there can be any organizations or firms providing different leisure time activities (sports, travelling, parties, sightseeing, clubs focused on special students' hobbies and interests).

### **Threat of New Entrants (low)**

The new possible entrants collaborating with CULS Prague are unlikely because it makes no sense because ESN CULS is closely connected with it (it has office in University dormitory, it cooperates with faculties and coordinators, has a permission for free booking of university clubs and pubs with discounts there) and has mutual interests with the university. In the same time it is a question of donation and financing to the new entrants as well as high competition and monopoly of ESN CULS Prague there.

The threat of entrants can occur because of appearing of new mostly for-profit organizations similar to existing Erasmus Nation, AvenTouro, Student Zone Prague, Prague Student Chain and smaller ones.

The situation of new entrants is similar to threat of substitutes. The new organizations and firms which can organize an interesting leisure time for students (with better financing and creative ideas) can enter the market and compete with ESN CULS Prague. The new substitutes it can be represented by educational or sports clubs as well as travel agencies and other organizations and programs which might be of interest to ESN CULS Prague potential audience.

Porter's Five Forces analysis showed that Suppliers' power is quite high due to strong impact of EU institutions, general direction of ESN strategy and close cooperation with partners. Power of buyers is high too because of specific of ESN features and goal. In particular, ESN is customers-oriented association and incoming students its main scope of work. Threat of substitution is low because ESN is the only and unique organization doing such for students in CULS. Undoubtedly, there are substitutes but their audience or services are a bit different. Consequently, the threat of new entrants is low but they could just compete in some separate events and activities.

#### 4.2.6 Analysis of competition

The **internal competition** is represented by other ESN sections and their events and activities when **the external** is represented by other local non-profit student associations and for-profit organizations. In addition, as competitors could be other non-profits.

The services ESN CULS Prague provides partly unique because only ESN CULS Prague cooperates with the University in students' interest. Often only ESN can help fast and qualitatively solve student's problem. On the other hand, country nights, beerpongs and parties, movie nights, picnics, Erasmus gathering meetings aren't a unique service and a lot of other organizations can provide instead. However, ESN asks for smaller fee for trips, agrees for individual and group discounts for students.

For the competition analysis there was point rating system. The tables 9 - 13 explain the two dimensional matrix: competitors along the top and key success factors of marketing mix down the side.

Tab. 9 Analysis of competition, category Product/Service

Category	ESN	Student Zone	Prague hang out friends	AvenTuro
<b>1. Product/Service</b>				
Product/Service quality	7	9	8	8
Brand prestige	8	8	7	7
Technologies	5	8	8	8
Diversity of services	9	8	8	7
Innovations and improvement	6	9	8	8
Service benefits	9	7	7	8
Reputation	9	9	8	8
<b>Total</b>	<b>53</b>	<b>58</b>	<b>54</b>	<b>54</b>
<b>Total average</b>	<b>7,6</b>	<b>8,3</b>	<b>7,7</b>	<b>7,7</b>

Source: author's elaboration

Here there three for-profit competitors were chosen to demonstrate a competition level. The scale looks as follows: 1 – low, 10 – high.

Tab. 10 Analysis of competition, category Price

Category	ESN	Student Zone	Prague hang out friends	AvenTuro
<b>2. Price</b>				
Price level	9	7	7	7
Discounts and bonuses	9	6	7	7
Financing	5	8	6	7
<b>Total</b>	<b>23</b>	<b>21</b>	<b>20</b>	<b>21</b>
<b>Total average</b>	<b>7,7</b>	<b>7,0</b>	<b>6,7</b>	<b>7,0</b>

Source: author's elaboration

AvenTuro has the strongest position together with Student Zone in category “Place”. Student Zone has the advantages due to its better distribution channels and share.

Tab. 11 Analysis of competition, category Place

Category	ESN	Student Zone	Prague hang out friends	AvenTuro
<b>3. Place</b>				
Market share	6	8	7	8
Level of sections development	9	6	6	7
Distribution channel	6	8	7	7
<b>Total</b>	<b>21</b>	<b>22</b>	<b>20</b>	<b>22</b>
<b>Total average</b>	<b>7,0</b>	<b>7,3</b>	<b>6,7</b>	<b>7,3</b>

Source: author's elaboration

Student Zone has stronger position in categories Product/Service, Place and Promotion. ESN has dominant position in category price.

Tab. 12 Analysis of competition, category Promotion

Category	ESN	Student Zone	Prague hang out friends	AvenTuro
<b>4. Promotion</b>				
Advertising	7	10	9	9
Public Relations	8	8	7	7
Sales promotions, special offers	7	8	8	8
Direct Marketing	7	8	8	8
<b>Total</b>	<b>29</b>	<b>34</b>	<b>32</b>	<b>32</b>
<b>Total average</b>	<b>7,3</b>	<b>8,5</b>	<b>8,0</b>	<b>8,0</b>

Source: author's elaboration

“Promotion” category’s leader is also Student Zone winning due to its good advertising.

Tab. 13 Analysis of competition, totals

Category	ESN	Student Zone	Prague hang out friends	AvenTuro
Total sum	126	135	126	129
Total average sum	29,5	31,1	29,0	30,0

Source: author's elaboration

Consequently, the higher rate has Student Zone, then AvenTuro, ESN and then Hang out Prague friends. And Prague hang out friends shows just average result but ESN CULS Prague should not lose sight of it because it is new and expanding organization striving for its market share. Basically, all three competitors are a bit diverse because of their services but all of them are ESN's competitors because it combines different services when each of them specifies only on one particular. AvenTuro is an agency organizing attractive and adventurous trips to interesting destinations (also abroad) but ESN CULS Prague is limited with its budget, promotion possibilities and time and does not organize trips abroad.

Student Zone Prague is the biggest and the closest competitor who makes culture events, social gatherings and interesting parties. Prague Hang-out Friends explains its name with events it organizes (such as Erasmus meetings, Prague guide, various trips).

However, ESN CULS Prague must not underestimate them because each organization expands service line and in the same time offers more attractive ones. The problem is that ESN CULS Prague has a lot of potential customers who it can contact easily but loses its customers but to the bad promotion, bad organization and low diversity of service. And their visible advantage is the possibility of registration not only Erasmus and Exchange but regular or local students without ESN or ISIC cards. Also customers can choose among several dates for the same destinations which are announced in advance.

#### 4.2.7 SWOT analysis

After researching the functioning and activities of the ESN CULS Prague, relying on the data from the conducted survey and feedback of students during 1.5 years of work experience with Erasmus and Exchange students it is possible to summarize the following results that are illustrated below in the SWOT analysis. Internal factors as strengths and weaknesses are highlighted in a table below (table 14).

Tab. 14 Strengths and weaknesses of ESN CULS Prague marketing activities

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Protected and registered brand name</li> <li>• One of the most active ESN sections in Prague with its marketing communications</li> <li>• The only association dealing with Erasmus and Exchange in CULS</li> <li>• An important point of reference for international students</li> <li>• Good reputation among customers and positive feedback</li> <li>• Creates a multicultural environment and unite people</li> <li>• High motivation and passion of members to be a part of it</li> <li>• The huge networking opportunities</li> <li>• Strong friendship relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Communication and cooperation problems when - lack of between the different levels of ESN (local, national, international, between sections) when promoting its services</li> <li>• Lack of funds to access other distribution channels (limited budget)</li> <li>• Different performances of members and events, low members' willingness to promote, pure marketing skills</li> <li>• Very differentiated audience but middle-unified service (quite narrow and not very diversified service line)</li> <li>• Lack of information on the webpage</li> <li>• Too much bureaucracy procedures and rules</li> <li>• Some events are overlapped with other city or other section's events</li> <li>• Low collaboration with students during the semester (it's not enough to be just a help tool but also to become their friend who they could trust and will be more willing to participate in events)</li> </ul>

Source: author's elaboration

External factors demonstrating opportunities and threats are outlined in the table 14.

Tab. 15 Strengths and weaknesses of ESN CULS Prague marketing activities

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Growing interest for a multicultural view of the world and globalization</li> <li>• EU politics aimed to ESN expanding and development</li> <li>• General growth of the number of exchange students</li> <li>• Technological development helping communication and expanding of promotion</li> <li>• Widening market segments and reaching more exchange students</li> <li>• Prague, university and dormitories geographical location and natural conditions of Czech Republic</li> <li>• A lot of partners and other ESN sections in Prague</li> <li>• Attractiveness of travelling and sport among students</li> </ul>	<ul style="list-style-type: none"> <li>• Threat of conflicts and breaking an agreement with CULS</li> <li>• Financial instability (low financing)</li> <li>• Threat of competitors and fake Erasmus organizations offering attractive replacement with better promotion</li> <li>• Threat of new entrants</li> <li>• The potential cancelling of the trips and events caused by low demand</li> <li>• Low turnout to particular ESN events and lowering the turnout from the beginning till the end of semester</li> <li>• Differences in culture, mentality and hobbies</li> <li>• Different demands and expectations of participants</li> <li>• Weather</li> </ul>

Source: author's elaboration

Traditionally, bearing on analysis of strengths, weaknesses, opportunities and threats we can distinguish four possible ESN CULS Prague strategies.

**S-O strategy** is examined as possible way of using opportunities based on strengths of ESN CULS Prague has. The possible direction is expanding the area where ESN makes its events. That means the new gathering localities (also in winter time) should be found to be available for students accommodates far from CULS what will raise the turnout. Besides, there are a lot of people can be collected for big events organized with other Erasmus students using ESN brand, image and good reputation. In addition, their knowledge and experience could be used through benchmarking at the same time exploring new market segments and developing it. Here there new sport, travelling and other activities supported by strong friendship and good technology could be developed.

**W-O strategy** could be introduced by requesting more funds for better organizing and promoting events and products, maintaining the good level of ESN events performance. Here it is important to collaborate with other Prague ESN sections and meet up with ESN and Erasmus from other countries for common events through higher collaboration of locals with international students. Using developing technologies ESN could improve online marketing considering more useful posted content. Talking about service quality, simplification of decision-making chain and organizing of activities and events according to geo and nature conditions are important.

**S -T strategy** reflects following the students' suggestions and interests in order to increase the turnout by offering additional services and better promotion of existing ones (sports, culture, challenge games). It should be directed to diversification of events and comprehensive promotional mix with keeping goodwill.

**W-T strategy** reflects collecting feedback about ESN CULS Prague in the end of semester, popularize of ESN Instagram page and other intensive promotion tools. In order to be more competitive, ESN CULS should expand its services regarding students' interests and organize events not overlapped with other events but complement it. Active searching for sponsors and partners in Prague would raise amiability and benevolence of students and keep ESN's reputation.

#### **4.2.8 Questionnaire**

In order to investigate ESN CULS Prague reputation and efficiency, students' opinion and, the ways of increasing attendance and therefore develop new opportunities and ways of

improvement the questionnaire was created. It is a qualitative in nature, relies on induction, more information about each respondent, and made up to explore and detect new information and the conclusion is resulted from research as new programs and improvements. The questionnaire's title is "Erasmus Student Network (ESN CULS Prague) performance and customers' satisfaction" and it is included in Appendix 11.

The main research objective is to find out how do students see ESN CULS Prague performance and whether they are satisfied with its work. Accompanying research goals are the following:

1. Research the image, reputation and positive attitudes to ESN CULS Prague
2. Research the source of information about the ESN CULS Prague activities
3. Research ESN customers' preferences, tastes and interests in order to discover new opportunities and ways of improvement
4. Research the weaknesses and minuses of ESN's performance to work on bugs.

The purpose of chosen topic is to know more about customers' preferences, feedback, and critics and to get what activities would be interesting for them in order to promote the product they really need and accept.

The method used in this thesis is the simplest one because it is hard to reach all Erasmus and Exchange students in the same time especially when some of them currently are not in Czech Republic and not on exchange anymore, some are travelling or busy with their studies. That's why there was online questionnaire chosen and sent by personal messages (to 434 Erasmus and Exchange friends in Facebook) and posted in Erasmus CULS 2016/2017 and Erasmus CULS 2017/2018 groups in Facebook. It is the fastest and cheapest way of collecting information and covers the largest audience. Google.docs has advantages because it is basic questionnaire which has user-friendly interface. It is possible to see percentage of answers and diagrams of the responses that are also available in Excel sheet. But the disadvantage is that it does not have an option to hide questions that are not relevant for some group of respondents.

The link was available for respondents during five days and there 107 people have

participated in it. Respondents' motivation to fill out the questionnaire was determined by the fact it relates their interests and tastes and events ESN CULS Prague makes for them. These changes and improvements are devoted to this group and it confirms ESN CULS Prague cares about their comfort and satisfaction. And it is really important to get a feedback to know what should be improved in marketing communications.

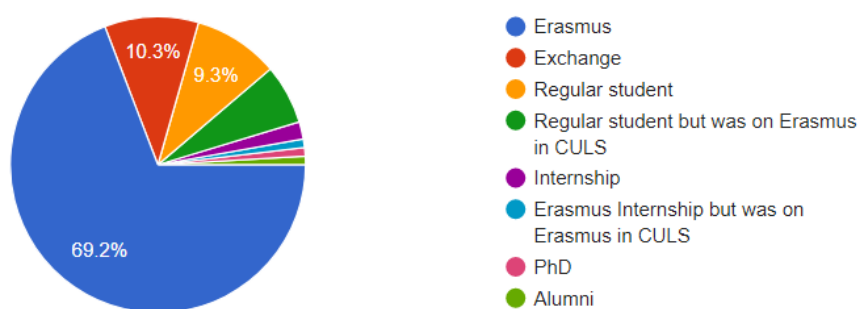
The target group was chosen corresponds to customers of ESN CULS Prague services and the topic goals. Obviously, it was designed in English because target group is international incoming students. Besides, there were included local Czech and foreign current and graduated students who regularly or time to time attend ESN events and can objectively give a feedback too.

The used open and closed-ended questions are focused on feedback and very useful to set future marketing communication campaigns rather than only to see the current situation.

### Analysis

The average age of respondents is 23 years old predominately of 3 and 4 year. They are all from different countries but most of them are Europeans: Croatia, Italy, Poland, France, Greece, Portugal, Bulgaria, Russia, Finland, Latvia, Netherlands, Lithuania, Kosovo, Ukraine, Latvia, Romania etc. Also there are students from USA, Turkey, China, Kazakhstan, Ghana, and Brazil. Among them 69.2% (74 students) are Erasmus students, 10 students are regular and other 11 are Exchange, the rest are on internship and PhD (figure 14).

Fig. 14 Study programme of respondents



Source: author's elaboration on the basis of conducted questionnaire

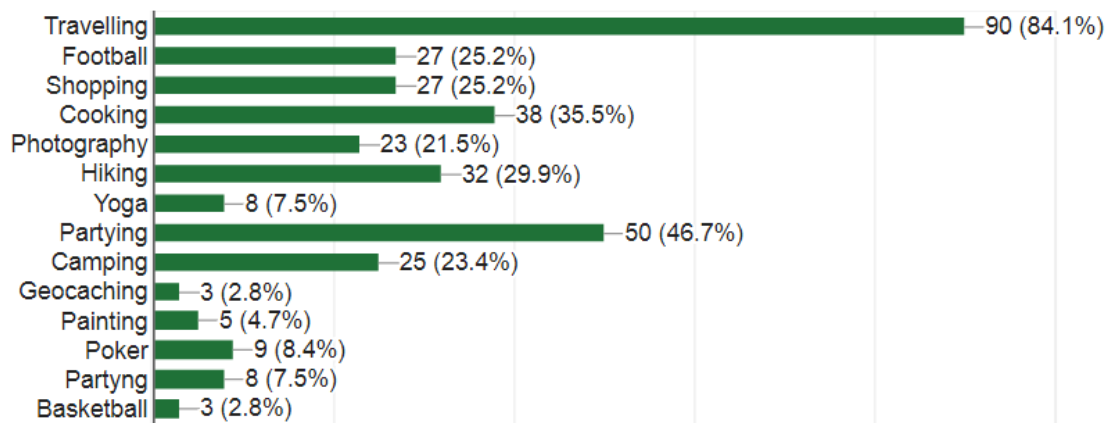
7 students were on Erasmus program previous years but came for regular studying and still



attending ESN events. 57.9% of them are students of Faculty of economics, 12.1% are Faculty of Agrobiolgy, Food and Natural Resources students, 10.3% - Faculty of Forestry and Wood Sciences.

To find their interests for organizing more interesting and attractive activities we asked about their hobbies. Among the popular answers are the following (figure 15).

Fig. 15 Hobbies of respondents



Source: author's elaboration on the basis of conducted questionnaire

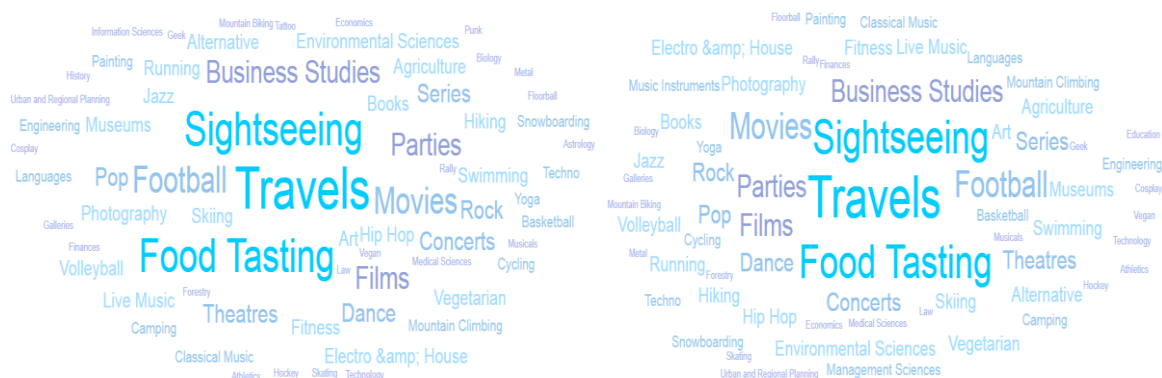
The other answers respondents provided were: reading books, skiing, writing, horseback riding, boxing, music, climbing, filmmaking, astrophysics, running, gym, computer games, water sports, singing, theatre, fitness, and hunting. That means students are really into travelling (84.1%), partying (46.7%), cooking (35.5%), hiking (29.9%), photography (21.5%) and camping (23.4%), different sports.

Hobbies and some interests charts are also available to check on Buddy.go ESN web page (figure 16).

It is thought-provoking and intriguing that apart from travelling respondents are interested more and more in culture and arts, sports and cooking more than in simply partying that slightly refutes the experience received during inactions with students.

It confirms that the main interests are travelling, sightseeing, food tasting, parties, studying, movies and sports.

Fig. 16 Word cloud of interests Summer and Winter semesters 2017



Source: *my.esnculs.cz*, 2017

For investigating the possible directions of abroad ESN trips we asked about countries they visited during their mobility. 50% of them went to Hungary, 45% went to Vienna, 41.5% to Dresden, 40.6% to Krakow (figure 17).

Fig. 17 Word cloud of cities and countries students visited during their mobility

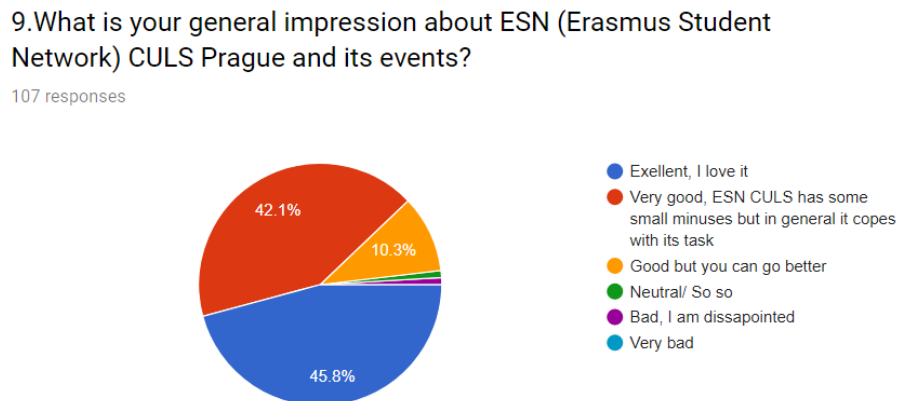


Source: *author's elaboration on the basis of conducted questionnaire*

Talking about holidays, they like to celebrate Halloween dominates (50%) what can relate to the topics of ESN events. 46.2% celebrates Easter and it would be good time for travelling then. St. Patrick's and St. Valentine's Day are popular too so ESN CULS Prague can manage to combine these holidays with thematic parties.

The question about ESN CULS reputation and image showed that ESN CULS makes good impression on its audience (figure 18). 45.8% of people evaluate it as "Excellent", 42.1% as "Very good" and 10.3% as "Good". It means 52.4% think it is still not perfect.

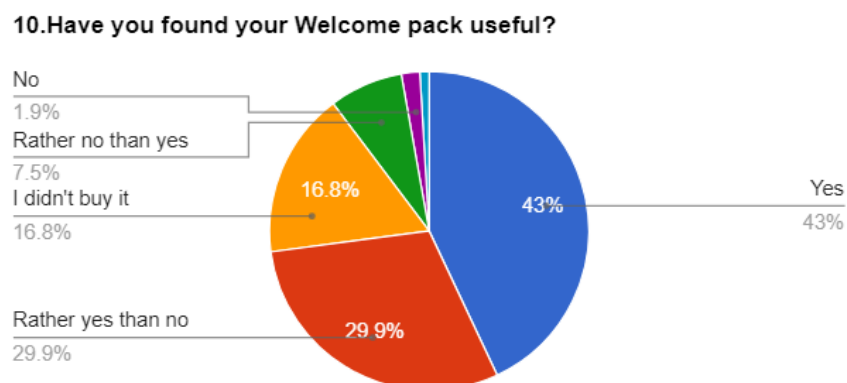
Fig. 18 Respondents' general impression about ESN CULS Prague and its events



Source: author's elaboration on the basis of conducted questionnaire

Talking about ESN's services generally CULS students found ESN Welcome pack quite useful; however, regular and some Erasmus students did not buy it at all (figure 19).

Fig. 19 Usefulness of ESN CULS Prague Welcome pack



Source: author's elaboration on the basis of conducted questionnaire

Therefore, they were asked about the things would make ESN Welcome pack more attractive to buy. Among this content they distinguished ESN T-shirt (44% would be glad to see in Welcome pack), ESN bag (35% would want to purchase a bag), 32 students (29.9%) are interested in a notebook. Other popular answers are "A creative opener", "Lighter" but also respondents want to see a better guidebook and semester overview illustrating all scheduled events and activities.

The most popular ESN event is beerpong (85 of 107 people attended it), 62.6% people were on Thursday country presentations and Campus Crawl on Welcome week. Moreover,

some of them expressed their opinion about the repeating of Campus Crawl. Many of them were on Welcome week events such as Lost in Prague city game and afterparty, Ice breaking meet up in the first day of Welcome week, Bonfire. The other popular event is International dinner when all nations prepare their food and evening has a form of food festival where you can try food from different countries for free (47.7%). And more than half of people coming to International dinner come to Responsible party that happens right after finishing the dinner (24 people). International Women's day dinner and afterparty also has success because it is unusual event (dressed up men cook different dishes and bring it to the party, meanwhile every woman brings a bottle of wine as a reward, the dinner is finishing by auction). Erasmus Prague games are quite popular too because people have a lack of sport events.

Concerning trips the most popular one is Pilsen trip (25 of respondents went there). Although the other trips were not popular answers in survey, in fact they were successful. Such as Karlštejn trip, Říp hiking trip, Kutná Hora trip, Karlovy Vary trip, Český Krumlov trip, Bohemian Switzerland trip, South Moravia wine trip. But ESN even had one cancelled trip in 2016. The less popular events are Shooting stereotypes, Erasmus Reunion party with ESN Slovakia.

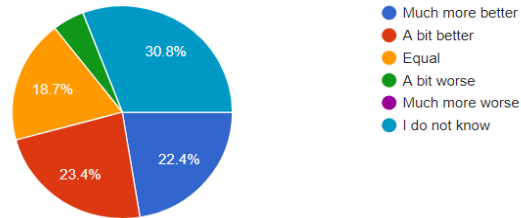
Students evaluate ESN events and activities as follows: “Very good” (56.1%), “Excellent” (34.6%), and good (9.3%) so the average value was 4.25 of 5.

In their opinion, the level of ESN services is much more better (22.4%) or a bit better (23.4%) than ones provided by other organizations. 18.7% answered that is is equal when 30.8% do not know because they are not aware about names of organizations and do not pay attention on it, they just see their advertising on Facebook and follow the events (figure 20).

Fig. 20 The level of ESN services in comparison to commercial organizations

14. The level of ESN services in comparison to commercial organizations (Student Zone, Aventuro, Erasmus nation, etc.) offering similar services is:

107 responses



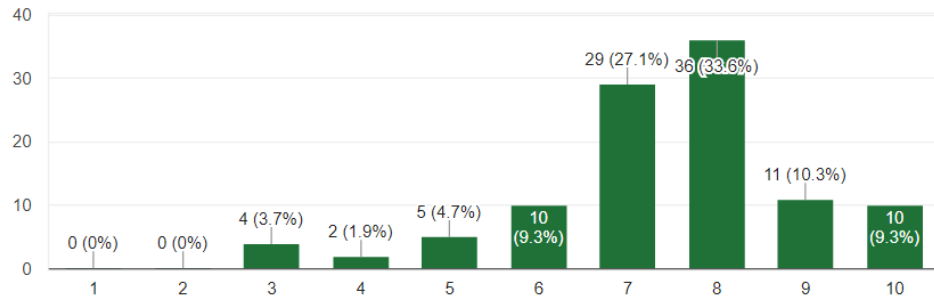
Source: author's elaboration on the basis of conducted questionnaire

However, there was a question about marketing activities and promotion done by ESN CULS Prague and students evaluated it 7 and 8 of 10, where 1 is very bad and 10 is excellent. In spite of their evaluation there were a lot of critics of ESN promotion in later questions (figure 21).

Fig. 21 ESN marketing activities evaluation

15. How would you evaluate the marketing activities of ESN in comparison with other organizations offering similar services?

107 responses

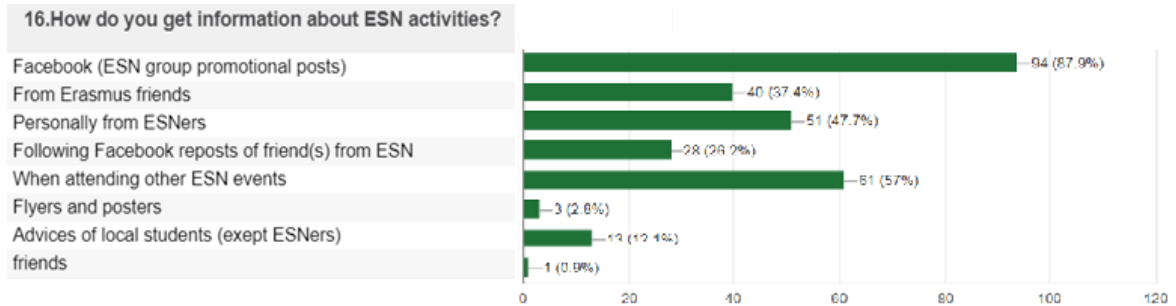


Source: author's elaboration on the basis of conducted questionnaire

Also we investigated the sources where students get the information about ESN events and activities from. The responds identified students mainly get information from Facebook ESN posts (87.9%), also 57% of them get information from their Erasmus friends, thus world of mouth works quite good among exchange students, and ESN tries to develop this tool. Almost half of respondents (47.7%) receive information from ESN members in person when meet them and 37.4% follow ESNers' personal reposts on Facebook. Only 26 students of 107 get new information on other ESN events what means ESNers should pay

more attention to this tool as well as to flyers and posters distribution (figure 22).

Fig. 22 The sources of information about ESN activities



Source: author's elaboration on the basis of conducted questionnaire

The three last questions were the core for the research. Those are:

- What are the weaknesses of ESN work, in your opinion?
- If you were an ESN member how would you fixed problems chosen in previous question?
- What could increase your interest in ESN activities?

Among ESN weaknesses respondents mentioned lack of sport events (31.8%) what ESN CULS Prague should take serious and organize more often. 25 people think ESN CULS Prague has late events notifications so they do not have time to plan their schedule and that is why miss some of them. 20 people think there is a lack of challenge entertainment like survival camp and escape room, 20 people consider that that there is a lack of cultural and musical evenings organized by ESN CULS Prague. 13.1% of respondents are sure there is a bad promotion problem and same percentage think there is in general low diversity of activities organized by ESN and that is why some of them think that some events are boring. 11.2% see the problem in a bad cooperation with other ESN sections and their Erasmus and Exchange students. Several students mentioned that there is a lack of information provided by ESN and they would need improved ESN guide and wider possibility of leaving a feedback what is actualy a mutual interest.

Their recommendations can be gropued as follows:

- More diverse activities with awards, particularly organized out of campus;
- More sports events (Erasmus Prague Games or ESN Olympics, country football,

basketball, skiing, dancing, moving, stretching etc.), tournaments (table tennis) and establishing partnerships with sports associations;

- More challenging and cohesion events (geocaching, paintball, team work often better for people than individual);
- Cultural exchange events between Erasmus students, live music evenings, concert for mixing people up;
- Abroad trips;
- Searching for another active members by work of HR, being more communicative, open and friendly;
- Announcing ESN activities at least 2 weeks before it will happen;
- More Facebook posts and individual E-mails and better promoting through improving buddy system by adding to members' duties events promotion. And one person who can just take care about notifications;
- Engaging with Erasmus students to know what they want;
- More cooperation with other ESN sections for organizing parties;
- A PJ Beer-Pong party;
- Encouraging students to suggest ideas for events and organizing events according to proposals and interest;
- Finding venues interested in cooperation with ESN in order to diversify the location
- More flyers and posters.

One of respondents even offered help with sponsors finding.

Their interest in events and activities would increase if ESN CULS Prague makes them more opened for regular students. They would be glad to be aware about ESN PR events. They will be better informed and motivated by 1 minute promotional videos.

Consequently, the questionnaire identified that the level of ESN CULS Prague is above-average and performance is seen by respondents has some disadvantages that they would like to be eliminated. They are quite satisfied but still mention a lot of features that would increase their satisfaction and interest.

## **5. Results and Discussion**

An intention and goal were to give respondents freedom to express what marketing communication actions motivate students to participate in ESN activities. Thus, the results can show what topics and themes are mentioned more frequent. After analyzing ESN CULS Prague work the obvious solution that it should primary focus on the promotional and marketing mix of existing and future activities for incoming students.

### **5.1 Marketing mix**

To systematize and put in order suggestions regarding marketing communications of ESN CULS Prague the following solutions could be implemented to increase efficiency.

#### **Product/service**

According to the feedback and responses, the following information should be included to the guide book provided from CULS:

- Transportation from Airport to CULS and other dormitories, schedule explanation;
- The map of classrooms, coordinators' offices location;
- School schedule and applying for subjects;
- ISIC information (cost, receiving place, information about discounts), transportation ticket (costs, photos, how to get);
- Banks;
- Accommodation fee details with bill explanation;
- Translation of names of signboards such as pharmacy, exchange, theatre;
- Exchange offices addresses;
- The nearest shops;
- Dormitory rules in short, prices for double and single rooms, booking dormitory for friends visiting Erasmus and Exchange students;
- Dos and don'ts in a city and country;
- Recommendations regarding to cafes (in campus and in a city center), cheap restaurants and bars;
- Information about ESN;
- Post office location and open hours in CULS, on Internacionalni bus station and in the city center;



- University sport clubs and sport opportunities, information about farm;
- Information about Eurolines, Regiojet and Ryanair discounts, group transport discounts.

Talking about events ESN could diversify the topics and nature of events by complementing it with following:

#### *Cultural events*

- Concert evening (since students are interested in playing musical instruments)
- Karaoke evening with ESN CULS Prague
- Erasmus gathering in Vetrnik dormitory events room (national games and dance).

#### *Sport and active leisure time*

- Paintball with ESN CULS Prague
- Table tennis tournament (instead of one of the beerpongs)
- Survival weekend with ESN CULS Prague (team competitions, geocaching); the event is similar to the one organized by ESN HK)
- Escape room.

#### *Parties*

- Tram party with ESN CULS Prague
- Farewell graffiti party (writing wishes on t-shirts).

#### *Trips*

ESN would become more competitive if it revives trips abroad. The survey responses showed the popular destinations where bunch of students go during their mobility from Prague. Among them are Krakow and Budapest trips. The reasons of choosing these destinations are obvious. Firstly, the way there and back is 7.5 h and 7 h respectively. Secondly, the costs of both trips are liberal. Thirdly, ESN could collaborate with local ESN sections to organize these trips timed to some their popular ESN events to insure good turnout and meeting new people. And finally, several days trips are adored by Erasmus and Exchange students. Another trip could be ESN CULS Prague goes to festival.

It is important to note that services should be congruent with holidays, weather conditions, and other university and city events.

### **Price**

Undoubtedly, for ESN CULS Prague it is necessary to maintain its existence. And it can be provided by right pricing for services and product it organizes. For now students cannot join any trip without ESN card what imitates them in using ESN's services. The possible solution can be done is doing the same price policy as for beerpong (50 czk with ESN card, 100 czk without): the price for trip is lower with ESN card and higher without. It envisaged the purchase of ESN card at the beginning of the semester so they can see and use the real advantages it gives. Other events and trips should contain a price in CZK and euro to show that it is not that expensive in general and cheaper than competitors have.

### **Place**

The services ESN offers could be widen in its location. For now bunch of them are in CULS campus what is not always comfortable for many of students so the association should be oriented more to city center events and other locations (for instance, city center clubs, bars, tram, Vetrnik dormitory). Besides, as experienced before, for example, beer cups are more demanded on some ESN events rather than in ESN office. Therefore, ESN CULS Prague should keep this one-off practice and repeat it.

### **People**

Involvement and passion that should be clearly shown by all ESN members affects students' perception, hence more members have to be included and work as cohesive cheerful team to demonstrate its image and make students to be motivated to join any activity.

### **Physical evidence**

ESN logo should appear everywhere as corporate spirit as wearing ESN T-shirts on every event, using logo and stickers to make it trendy. It will increase interest and demand of ESN products.

### **Processes**

Processes improvement should already start with informing Erasmus/Exchange student about ESN activities and its success and level of fun from airport. All registration processes should use benchmarking. For example, the way how tickets for concerts or DJs are being sold (from time to time the organizers inform how many tickets are left and the rest should hurry up to take it ASAP).

### **Philosophy**

ESN philosophy should be constantly underlined by repeating motto and demonstrating of team spirit to inspire others to become a part of this.

### **Promotion**

Promotion is one of the weakest ESN's sides that need to be improved. The proposals offered for ESN CULS Prague by implementing promotional mix solution can be specified through using of personal selling, advertising, publicity and sales promotion.

#### **5.2 Promotional Mix**

The questionnaire answers indicated that students are bad informed about activities and each event should be better promoted.

### **Advertising**

According to the survey results the ESN Welcome pack should be replenished by ESN bag, sticker and Erasmus + ESN T-shirt (optionally). The proposed advertising product design is represented in Appendix 9. Another feature what was represented in questionnaire is personal a direct mailing (to their personal mails). Students asked for more notifications from ESN about upcoming events. To create an additional awareness the small flyers introduced and distributed on other events could be created.

### **Direct marketing**

ESN CULS Prague should focus more on Facebook posts, their quality, and quantity and make sure that the whole target group is covered. It will be achieved through more catchy posts with more frequent notifications and updates.

Personally ESNers can inform students more about further events and activities in case

some of students did not read/heard this information before.

### **Interactive marketing**

The questionnaire showed that ESN could make the audiovisual materials to promote its events. It should be more promotional video trailers and pictures of the same events and trips of previous years. ESN could imply “Opt-in” e-mail advertising that allows sending its offers to the list who’ve agreed to accept these e-mails because students are agree for it and think it will raise their awareness.

### **Sales promotion**

As an instrument of sales promotion toward ESN’s consumers the photo contest for the best Erasmus picture in Instagram to popularize (the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> places get a prize) can be used. Also as a trip promotion instruments ESN should make a contest for students where they can win a discount for the next trip (the winners of beerpong and table tennis tournament will get a discount). Besides, ESN could introduce last minute offers regarding trips and paid events in case there are some free places needed to be taken ASAP to fulfil the bus for it.

Some of events should include encouraging students to suggest ideas for events. It should be done by short voting in Facebook Erasmus group. That will make students feel they are very important for ESN and it appreciates their opinion.

### **Public Relations**

When section wins a prestigious award or special prize that’s widely recognizable it could be announced in a Facebook page to support the image level.

### **Personal selling**

Personal selling is already used by ESN but in a less intensive way. The other events should start and finish with next event announcing and reminding. Preferably members should use loud-hailer to make sure everyone is informed.

### **Word of mouth**

Word of mouth is widely used among Erasmus, Exchange, regular local and foreign

students. By improving the IMC tools mentioned above ESN CULS can keep positive word of mouth that will vastly affect its services and products demand.

End of each the semester should finish with questionnaire where students provide their feedback about ESN activities and events. Its results, critics and suggestions should be discussed on the next ESN CULS Prague members and Board meetings before the beginning of next semester.

## **6. Conclusion**

ESN CULS Prague as a part of international student NPO is of particular interest because the author of this thesis is an active member and is not indifferent to its function, problems and future.

ESN CULS Prague is rapidly developing association that continuously undergoes changes. Nevertheless, relying on students' feedback during each semester it was noted that there are some spheres that could be revised and reconsidered.

The main goal of this diploma thesis was analyzing marketing communication and promotional activities, developing marketing recommendations for NPO ESN CULS Prague to improve its existing situation.

The theoretical part included literature review of nature of non-profits, their features and legal status in the Czech Republic. Also author was examining marketing communications and IMC, special characteristics regarding NPOs, their types and features, marketing activities, marketing communications and integrated marketing communications process, marketing and promotional mix, different tools and analyses, Erasmus student Network in general with its brief history, projects, organizational structure on all its levels, roles, status, principles and aims.

Practical part included the conducted research about nonprofit organization ESN CULS Prague, its work and practices, all section's activities, events and trips. Also during the research analyses of external and internal factors, competition analysis, SWOT, macro environment PEST analysis five Porter's forces analysis and analysis of questionnaire for the Erasmus Student Network (ESN) CULS Prague were conducted in the thesis. The analysis refers detailed marketing communication characteristics the essence of activities and events of the Erasmus Student Network (ESN CULS Prague).

Internal analysis showed there are cons in processes affected marketing communications' level. Competition analysis identified big market players, their weight and threat. PEST analysis described main macro environment political, economical, social and cultural and technological factors that are important for ESN CULS Prague and its marketing communications. Five Porter's forces analysis showed that power of buyers and suppliers

is low when power of substitution, competitors and new entrants in quite low. SWOT analysis identifies the main strengths, weaknesses, threats and opportunities and four competitive strategies.

The questionnaire contained analyses the ESN CULS Prague performance and whether students' satisfaction with its work, interest of the Erasmus and Exchange in ESN CULS Prague work, events and tips. Therefore, it showed a lot of relevant problems and challenges. However, some of them could be easily solved; meanwhile the others are more deep and difficult. Generally the feedback provided by students illustrated a positive image and reputation of ESN CULS Prague who get information mainly from Facebook and personal contacts with friends and ESNers. It drew ESN's target audience for particular ESN section with its interests which aside from parties and travelling include in sport events, cultural, musical and other activities. Students confirm that the main ESN's weakness is marketing communications and promotion and its elimination will reduce existing minuses.

The chapter "Results and Discussion" concluded the research and comprised thorough proposals for improvement ESN CULS Prague marketing communications. In the end of the work there are suggestions and actions based on feedback and experience that can be undertaken in order to improve ESN's work.

The objectives set at the beginning of the of the diploma thesis were reached through detailed observing and developed, modified and expended version of marketing communications process of ESN CULS Prague.

New advanced package of measures and findings is supposed and detailed recommendations are discussed in the results should make ESN CULS Prague events unforgettable and maintain the same turnout till the end as in the beginning of semester. Furthermore, it may help to set a marketing communication tools for further semesters.

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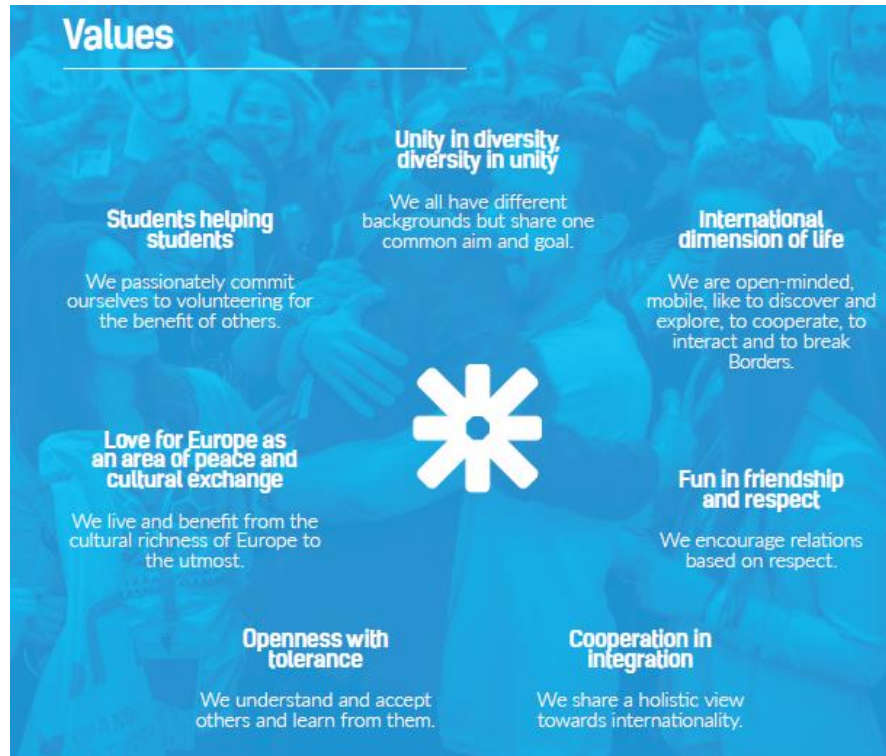
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## 10. List of abbreviations

AC	Council on Youth
CE	Council of Europe
EC	European Commission
EC	European Community
CULS	Czech University of Life Sciences
ESN	Erasmus Student Network
IČO	Organization Identification Number
IMC	Integrated marketing communications
IRS	Internal Revenue Service
ISE	International Student Exchange
MC	Marketing communications
NPO	Non-Profit Organizations
NGO	Non-governmental organizations
INGO	International non-governmental organization
AISBL	Association without lucrative purpose
CSO	Civil society organizations
PVO	Private voluntary organizations
ESAA	Erasmus+ Student and Alumni Association is an umbrella organization
EMA	Erasmus Mundus Students and Alumni Association
gE	garagErasmus

## 11. Appendix

### Appendix 1 The values of Erasmus Student Network



Source: Pasierbiewicz, 2017



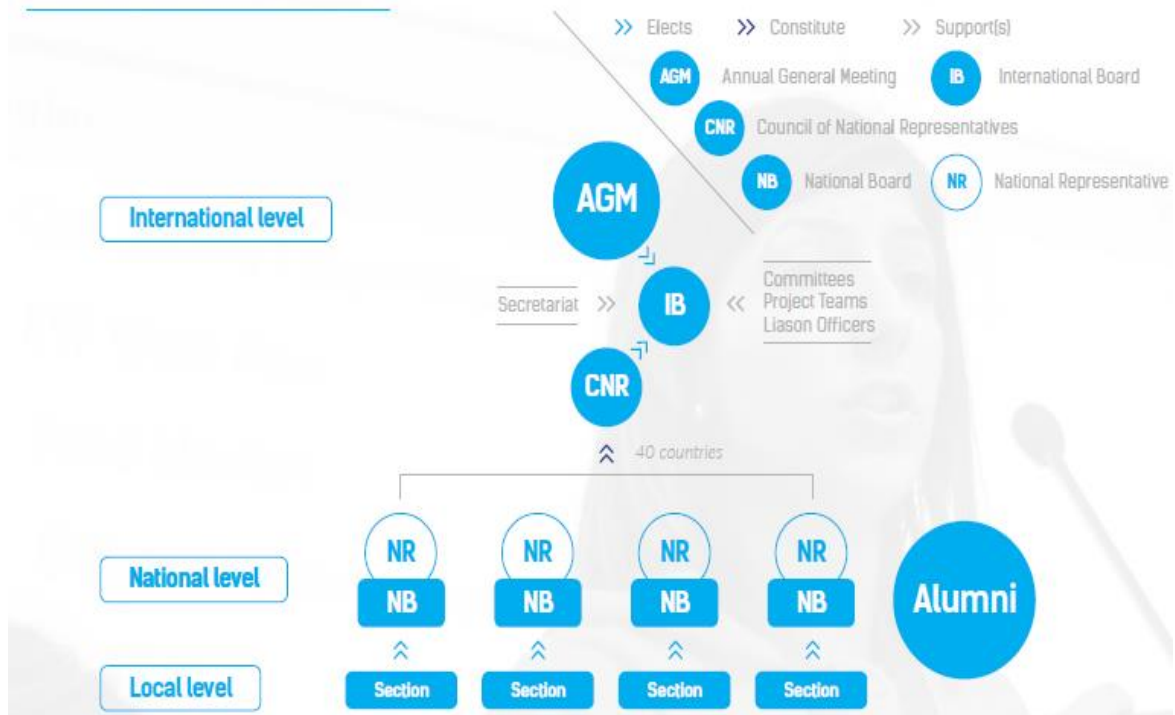
## Appendix 2 The International Board of Erasmus Student Network 2017



Source: *Pasierbiewicz, 2017*

### Appendix 3 The organization structure of ESN














## Structure



Source: Pasierbiewicz, 2017

## Appendix 4 Members of ESN Secretariat 2017

### ESN Secretariat

 <p>Rasmus Aberg Director</p>	 <p>Henriette Umutesi Administrator</p>	 <p>Silvia Caneschi Administrator 2015-2016</p>	 <p>Hugo A. Urción Partnership Manager</p>	
 <p>Fakhra Karamat Financial Assistant</p>	 <p>Jérémy Apert HousErasmus+ Project Coordinator</p>	 <p>Gorka Guerrero Erasmusintern Web Developer</p>	 <p>Carolina Vaz-Pires Graphic Designer</p>	
 <p>Adam Farnik MappED! Web Project Coordinator 2016</p>	 <p>Pedro Teles MappED! Web Developer 2017</p>	 <p>Katarzyna Pasierbiewicz Communication and Media Intern</p>	 <p>Elodie Dincuff Communication and Media Intern 2016</p>	 <p>Fernando Minguez Digital Marketing Intern</p>

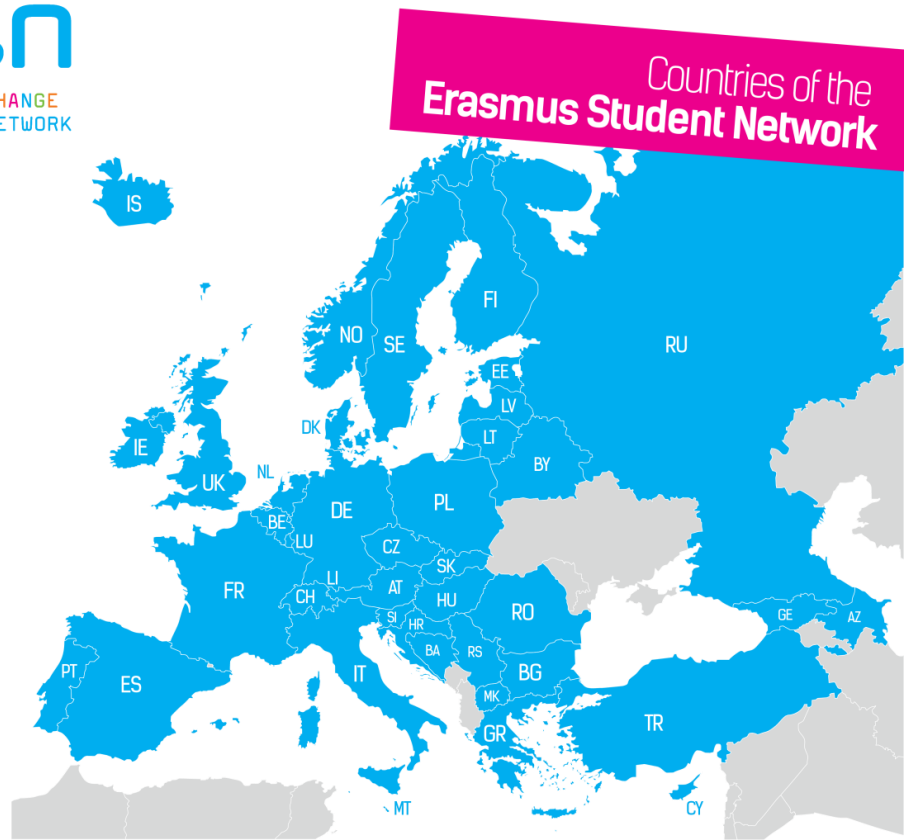
Source: Pasierbiewicz, 2017

## Appendix 5 ESN sections



● ESN member  
As of CND Krakow 2016

[www.esn.org](http://www.esn.org)



Source: Pasierbiewicz, 2017

## Appendix 6 National Board Czech Republic 2017/2018



Source: Pasierbiewicz, 2017

## Appendix 7 ESN sections in the Czech Republic

	<b>Buddy System Zlín</b> Univerzita Tomáše Bati ve Zlíně Full Member		<b>ESN Buddy System HK</b> Univerzita Hradec Králové Full Member
	<b>ESN CULS Prague</b> Česká zemědělská univerzita v Praze Full Member		<b>ESN Liberec</b> Technická univerzita v Liberci Full Member
	<b>ESN Ostravská</b> Ostravská univerzita Full Member		<b>ESN Pardubice</b> Univerzita Pardubice Full Member
	<b>ESN Pilsen</b> Západočeská univerzita v Plzni Full Member		<b>ESN UCT Prague</b> Vysoká škola chemicko-technologická v Praze Full Member
	<b>ESN UP Olomouc</b> Univerzita Palackého v Olomouci Full Member		<b>ESN Usti</b> Univerzita Jana Evangelisty Purkyně v Ústí nad Labem Full Member
	<b>ESN VŠB - TU Ostrava</b> Vysoká škola Báňská - Technická Univerzita Ostrava Full Member		<b>ESN VSE Prague</b> Vysoká škola ekonomická v Praze Full Member
	<b>ESN VŠTE Budweis</b> Vysoká škola technická a ekonomická v Českých Budějovicích Full Member		<b>IC CUNI</b> Univerzita Karlova v Praze Full Member
	<b>ISC CTU in Prague</b> České vysoké učení technické v Praze Full Member		<b>ISC MENDELU Brno</b> Mendelova Univerzita Full Member
	<b>ISC MU Brno</b> Masarykova Univerzita Full Member		<b>ISC VUT Brno</b> Vysoké učení technické v Brně Full Member

Source: [esn-cz.cz](http://esn-cz.cz), 2017

## Appendix 8 ESN CULS Prague Facebook page



Source: Facebook.com - esnculs, 2017

**Appendix 9** ESN CULS Prague Welcome pack promotional materials



*Source: author's elaboration*



**Appendix 10** The Internal Revenue Service categories of nonprofit organizations

Type	Description
501(c)(1)	These are corporations organized under Act of Congress. Federal Credit Unions are a good example of this type of nonprofit. These nonprofits do not have to file an annual return. Tax-exempt contributions are allowed if they are made for exclusively public purposes.
501(c)(2)	These are holding corporations for exempt organizations. That is, they can hold title to the property of an exempt group. They apply for nonprofit status using IRS form 1024. They annually file forms 990 or 990EZ.
501(c)(3)	This is the most common type of nonprofit. It includes organizations that are religious, educational, charitable, scientific, and literary; groups that test for public safety that foster national or international amateur sports competition; or organizations engaged in the prevention of cruelty to children or animals. This type of nonprofit applies for its status using IRS form 1023, and files annually Form 990, 990EZ, or 990-PF. Contributions are usually tax-exempt. All 501(c)(3) organizations are considered either: 1. <u>A private foundation</u> . These are nonprofits that don't qualify as public charities. Foundations may be sub-classified as private operating foundations or private non-operating foundations and receive some of the advantages of public charities. 2. <u>Or a public charity</u> . These are the organizations we typically donate to.
501(c)(4)	These are civic leagues, social welfare organizations, and local associations of employees. They promote community welfare, charitable, education or recreational goals. They apply using IRS Form 1024. They file annually 990 or 990EZ. This type of nonprofit is often confused with the 501(c)(3). But they are very different, especially regarding permissible <u>political activity</u> .
501(c)(5)	Labor, agricultural, and horticultural organizations fit under this classification. They are educational or instructive, with the goal of improving conditions of work, and to improve products and efficiency. They apply by using IRS Form 1024, and file annually form 990 or 990EZ.
501(c)(6)	These organizations are business leagues, chambers of commerce, real estate boards, etc. They seek to improve business conditions. They apply using IRS form 1024 and file annually the 990 or 990EZ.
501(c)(7)	Social and recreation clubs fall into this category. They promote pleasure, recreation, and social activities. They apply using IRS form 1024 and file annually the 990 or 990EZ.
501(c)(8)	This category includes fraternal beneficiary societies and associations. They provide for the payment of life, sickness, accident, or other benefits to members. They apply using IRS form 1024 and file annually the 990 or 990EZ.
501(c)(9)	These are voluntary employees' beneficiary associations. They provide for the payment of life, sickness, accident, or other benefits to members. They apply using IRS form 1024 and file annually the 990 or 990EZ.
501(c)(10)	Domestic Fraternal Societies and Associations. A lodge devoting its net earnings to charitable, fraternal, and other specified purposes. No life, sickness, or accident benefits to members. Apply using IRS form 1024 and file annually the 990 or 990EZ.
501(c)(11)	Teacher's Retirement Fund Associations. Associations for payment of retirement benefits. Apply using IRS form 1024 and file annually the 990 or 990EZ.
501(c)(13)	Cemetery Companies. Uses Form 1024 for application. Files annually the 990 or 990EZ.
501(c)(14)	State Chartered Credit Unions, Mutual Reserve Funds. Loans to members. No application form. Files annually the 990 or 990EZ.
501(c)(15)	Mutual Insurance Companies of Association. Provide insurance to members, mostly at cost. Applies using Form 1024. Files annually the 990 or 990EZ.
501(c)(16)	Cooperative Organizations to Finance Crop Operations. Finance crop operations in conjunction with activities of a marketing or purchasing association. No form to apply. Files annually the 990 or 990EZ.
501(c)(17)	Supplemental Unemployment Benefit Trusts. Provides for payment of supplemental unemployment compensation benefits. Applies using Form 1024. Files annually the 990 or 990EZ.
501(c)(18)	Employee Funded Pension Trust (created before June 25, 1959). Payment of benefits under a pension plan funded by employees. No form. Applies using Form 1024. Files annually the 990 or 990EZ.

Type	Description
501(c)(19)	Post or Organization of Past or Present Members of the Armed Forces. Activities according to the nature of organization. Applies using Form 1024. Files annually the 990 or 990EZ.
501(c)(20)	Group Legal Services Plan Organizations.
501(c)(21)	Black Lung Benefit Trusts. Funded by coal mine operators to satisfy their liability for disability or death due to black lung diseases. No form for filing. Reports on tax form 990-BL.
501(c)(22)	Withdrawal Liability Payment Fund. Provides funds to meet the liability of employers withdrawing from a multi-employer pension fund. No form to file. Tax forms 990 or 990EZ.
501(c)(23)	Veterans Organization (created before 1880). Provides insurance and other benefits to veterans. No form to apply. Uses tax forms 990 or 990EZ.
501(c)(25)	Title Holding Corporations or Trusts with Multiple Parents. Holding title and paying over income from property to 35 or fewer parents or beneficiaries. Applies with form 1024. Files tax forms 990 or 990EZ.
501(c)(26)	State-Sponsored Organization Providing Health Coverage for High-Risk Individuals. Provides health care coverage to high-risk individuals. No form for applying. Files tax forms 990 or 990EZ.
501(c)(27)	State-Sponsored Workers' Compensation Reinsurance Organization Reimburses members for losses under workers' compensation acts. No form for applying. Files tax forms 990 or 990EZ.
501(d)	Religious and Apostolic Associations. Regular business activities. Communal religious community. No application form. Files tax form 1065.
501(e)	Cooperative Hospital Service Organizations. Performs cooperative services for hospitals. Use 1023 to apply. Files tax forms 990 or 990EZ.
501(f)	Cooperative Service Organizations of Operating Educational Organizations. Performs collective investment services for educational organizations. Applies with form 1023. Files tax forms 990 or 990EZ.
501(k)	Child Care Organizations. Provides care for children. Apply with 1023. Files tax forms 990 or 990EZ.
501(n)	Charitable Risk Pools. Pools certain insurance risks of 501(c)(3). Apply with form 1023. Use tax forms 990 or 990EZ.
521(a)	Farmers' Cooperative Associations. Cooperative marketing and purchasing for agricultural producers. Applies using Form 1028. Tax form 990-C.

Source: IRS, 2017

## Appendix 11 Questionnaire

### Erasmus Student Network (ESN CULS Prague) performance and customers' satisfaction

*Dear respondents,*

*Welcome to the filling form of the questionnaire which is conducted within the framework of my diploma thesis research. Your answers can help to analyze the feedback and make improvements for your better satisfaction regarding its activities. It is anonymous and consists of 19 simple questions. Please, do not hesitate with criticism.*

*#studentshelpingstudents*

1. Where are you from? \_\_\_\_\_

2. How old are you? \_\_\_\_\_

3. What is your hobby?

- Travelling
- Football
- Shopping
- Cooking
- Photography
- Hiking
- Yoga
- Partying
- Camping
- Geocaching
- Painting
- Poker
- Other

4. Where did you go abroad during your mobility in the Czech Republic?

- Krakow, Poland
- Warsaw, Poland
- Dresden, Germany
- Berlin, Germany
- Munich, Germany
- Vienna, Austria
- Bratislava, Slovakia
- Budapest, Hungary
- Zrce, Croatia
- Amsterdam, Netherlands
- Paris, France
- Other

5. What holidays do you like to celebrate the most (except birthday and Christmas/New Year Eve)?

- Patrick's Day
- Halloween
- International Youth Day
- St. Valentine's Day
- Independence Day
- Mardi Gras
- King's Day
- Eid Al-Fitr
- Easter
- Other

6. Your faculty in Czech University of Life Sciences (CULS)?
- FACULTY OF FORESTRY AND WOOD SCIENCES
  - FACULTY OF ENVIRONMENTAL SCIENCES
  - FACULTY OF ENGINEERING
  - FACULTY OF AGROBIOLOGY FOOD AND NATURAL RESOURCES
  - FACULTY OF TROPICAL AGRISCIENCES
  - FACULTY OF ECONOMICS AND MANAGEMENT
  - Other
7. What is your study program?
- Exchange
  - Regular student
  - Regular student but was on Erasmus in CULS
  - Internship
  - Erasmus Internship but was on Erasmus in CULS
  - PhD
  - Other
8. What study year are you/were you (in case you already finished your mobility)?
- 1
  - 2
  - 3
  - 4
  - 5
  - PhD
  - Graduated
  - Internship
  - Other
9. What is your general impression about ESN (Erasmus Student Network) CULS Prague and its events?
- Excellent, I love it
  - Very good, ESN CULS has some small minuses but in general it copes with its task
  - Good but you can do better
  - Neutral/ So so
  - Bad, I am disappointed
  - Very bad
10. Have you found your Welcome pack useful?
- Yes
  - Rather yes than no
  - Rather no than yes
  - No
  - I didn't buy it
  - Other
11. What would make the Welcome pack more attractive for you?
- ESN bag
  - Better guidebook
  - ESN pen
  - Lollipops
  - ESN T-shirt
  - Lighter
  - Opener
  - Notebook
  - Other
12. What ESN events have you attended or going to attend during the semester/year?
- Ice breaking meet up/Scavenger Hunt campus orientation game (First day of Welcome Week)

- Campus Crawl and Kruhač aterparty (Welcome Week)
- Prague Channel Cruise (Welcome Week)
- Language Exchange
- Czech Country presentation (Welcome Week)
- Vyšehrad excursion + hang out in beer garden (Welcome Week)
- Bonfire (Welcome Week)
- Lost in Prague - pub crawl city game (Welcome Week)
- Lost in Prague afterparty in Rodeo (Welcome Week)
- Laundry bar meeting (Welcome Week)
- Ice-skating meeting with ESN (Welcome Week)
- Trip to Karlštejn (Welcome Week)
- Thursday country presentations
- Thursday beerpongs
- Flag Parade Prague (30 years of Erasmus program celebration)
- Erasmus Reunion party with ESN Slovak Republic
- International dinner (end of the semester event)
- Responsible party/Winners' party/Erasmus Awards party (traditionally International dinner afterparty)
- Říp hiking trip
- Kutná Hora trip
- Píslen trip
- Karlovy Vary trip
- Český Krumlov trip
- Bohemian Switzerland trip
- South Moravia wine trip
- Social Erasmus week (cloth, food donation)
- Ice-hockey with ESN
- International Women's day dinner and afterparty
- Letna park meeting
- Study abroad event (home university presentation in front of Czech students)
- Shooting stereotypes
- Erasmus Prague games (sport event)
- None of them
- I prefer other events and activities
- Other

13. How do you like ESN events and activities?

- 1
- 2
- 3
- 4
- 5

14. The level of ESN services in comparison to commercial organizations (Student Zone, Aventuro, Erasmus nation, etc.) offering similar services is:

- Much more better
- A bit better
- Equal
- A bit worse
- Much more worse
- I do not know

15. How would you evaluate the marketing activities of ESN in comparison with other organizations offering similar services?

1 2 3 4 5 6 7 8 9 10

16. How do you get information about ESN activities?

- Facebook (ESN group promotional posts)
- Following Facebook reposts of friend(s) from ESN
- Personally from ESNers
- When attending other ESN events
- From Erasmus friends
- Advices of local students (except ESNers)
- Flyers and posters
- Other

17. What are the weaknesses of ESN work, in your opinion?

- Bad promotion
- Late events notifications
- Expensive trips
- Not interesting and boring activities/events/trips
- Low diversity of activities organized by ESN
- Imperfect guidebook and online guide
- Lack of information on ESN website
- Lack of sport events
- Lack of challenge entertainment (for instance: survival camp, escape room)
- Lack of cultural and musical evenings
- ESNers are boring
- Lack of complaints and proposals book for feedback
- Poor ESN members' awareness of events
- Bad cooperation with other ESN sections and their Erasmus and Exchange students
- Other

18. If you were an ESN member how would you fix problems chosen in previous question? \_\_\_\_\_

19. What could increase your interest in ESN activities? \_\_\_\_\_

*Thank you for your participation and cooperation. Your answers will be recorded. Please note that your responses will be completely confidential. Have a nice day!*