# Czech University of Life Sciences Prague Faculty of Economics and Management Department of Management



## **Diploma Thesis**

Marketing Communications for White Goods range of Samsung brand in Czech Republic

Bc. Tereza Pužíková

#### CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## **DIPLOMA THESIS ASSIGNMENT**

Bc. Tereza Pužíková

Economics and Management Economics and Management

Thesis title

Marketing Communications for White Goods range of Samsung brand in Czech Republic

#### **Objectives of thesis**

The main objective of this thesis is to identify and evaluate the marketing communication strategy for the White Goods division of Samsung Electronics Czech and Slovak s.r.o., and to propose how the awareness level of potential customers can be improved.

The main outcome will be to propose recommendations to improve the effectiveness of Marketing Communications in the White Goods sector of the company in the Czech Republic.

#### Partial objectives are:

- 1: to determine and define the terminology and concept of Marketing Communication in the context of the White Goods sector:
- 2: to analyse the effectiveness of Samsung's strategy for marketing communication for their White Goods sector, comparing it to their Televisions sector

#### Methodology

This thesis consists of two main parts:

The theoretical part is the review of current literature and will focus on issues such as how a customer shops for and purchases household items in general, and white goods in particular in the Czech Republic and elsewhere.

The Practical Part will be based on a survey of potential customers in the Czech Republic to confirm the theoretical shopping experience and then discover the awareness level of the White Goods range of the Samsung brand in this country.

Finally the thesis will propose how this awareness level can be increased through Marketing Communications, and identify the costs involved in establishing this campaign.

#### The proposed extent of the thesis

Approx 60 – 70 pages

#### **Keywords**

White goods, marketing, customer shopping practice, marketing communications

#### **Recommended information sources**

KOTLER, P. – KELLER, K L. Marketing management. Harlow: Pearson, 2015. ISBN 9781292092621. SCOTT, D M. The new rules of marketing & PR: how to use social media, online video, mobile applications, blogs, news releases, & viral marketing to reach buyers directly. Hoboken: John Wiley & Sons, 2011. ISBN 978-1-118-02698-4.

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#### The Diploma Thesis Supervisor

Ing. Richard Selby, Ph.D.

#### **Supervising department**

Department of Management

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prof. Ing. Ivana Tichá, Ph.D.

Head of department

Electronic approval: 8. 1. 2020

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 06. 04. 2020

Declaration
I declare that I have worked on my diploma thesis titled "Marketing Communication of White Good range for Samsung brand in Czech Republic" 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 6.4.2020

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# Marketing Communications for White Goods range of Samsung brand in Czech Republic

#### **Abstract**

The diploma thesis deals with the marketing communication of white goods range of Samsung brand in the Czech Republic and customer shopping practice on the home appliances market. The aim of this thesis is to evaluate marketing communication for the White Goods division of Samsung Electronics Czech and Slovak s.r.o., to analyse consumer behaviour during purchase of white goods, and to propose how the awareness level of potential customer can be improved. The first part defines the terms associated with the topics related to consumer behaviour and marketing communication as a part of the literature review.

The second part of the thesis is based on evaluation of marketing communication channels and customer shopping experience. The online questionnaire was used to demonstrate purchasing experience of representative sample. The marketing communication channels are provided by information from Samsung employees working in product marketing of white goods who provided with internal research of the company. The obtained data are analysed with recommendation in the final part.

**Keywords:** white goods, marketing, marketing communication, customer shopping practice, advertising

# Marketingová komunikace bílého zboží značky Samsung v České republice

#### **Abstrakt**

Diplomová práce se zabývá marketingovou komunikací bílého zboží značky Samsung v České republice a nákupním chováním zákazníků v sektoru domácích spotřebičů. Cílem této práce je zhodnotit marketingovou komunikaci oddělení bílé techniky značky Samsung Electronics Czech and Slovak s.r.o., analyzovat chování zákazníků během výběru domácích spotřebičů a jak se značka může lépe dostat do povědomí potenciálních zákazníků. První část definuje pojmy, které souvisí s chováním zákazníků a marketingovou komunikací, které spadají do literární části.

Druhá část práce je založena na zhodnocení kanálů marketingové komunikace a nákupních zkušeností zákazníků. K tomuto účelu byl použit online dotazník pro zjištění nákupních preferencí vybraného reprezentativního vzorku. K marketingové komunikaci byly použity informace, které poskytli zaměstnanci z oddělení produktového marketingu domácích spotřebičů. Získaná data byla vyhodnocena s navrhovaným zlepšením v závěrečné části práce.

**Klíčová slova:** bílé spotřebiče, marketing, marketingová komunikace, nákupní chování, reklama

### **Table of content**

1	Intro	oduction1	12
2	Obje	ectives and Methodology1	13
	2.1	Objectives1	13
	2.2	Methodology 1	13
3	Liter	rature Review1	16
_	3.1	Consumer Behaviour	
	3.2	Marketing	
	3.2.	-	
	3.2.	2 The Marketing Mix2	23
	3.2.	3 The DAGMAR model	25
	3.3	Marketing communication	27
	3.3.	1 Communication mix	27
	3.3.	New trends in marketing communication	33
4	Pract	tical Part3	37
	4.1	Introduction of the company	37
	4.1.	1 White Goods introduction	38
	4.1.	2 Smart home	10
	4.2	Evaluation of the questionnaire	11
	4.2.	1 Online vs Retail	16
	4.2.	2 Appliances and devices purchase	54
	4.2.	3 White Goods preferences	56
	4.2.	4 Samsung brand awareness	54
	4.3	Evaluation of marketing communication	58
	4.3.	1 Advertising6	59
	4.3.	2 Digital and direct marketing	12
	4.3.	0	14
	4.3.	r	
	4.3.		
	4.3.	8	
	4.3.	C	
	4.4	Questionnaire	
	4.5	Marketing Communication	30
5	Conc	elusion8	33
6	Refer	rences	36
	6.1	Bibliography	36

6.2	Online sources	87
7 App	endix	89
7.1	Questionnaire	89
7.2	Key products	92
, , _	Freedom and the second	·····> <del>-</del>
List o	of figures	
Figure	1: Principles of Marketing	18
Figure	2: How satisfied are you with your smart device?	41
Figure	3: Division of respondents	43
	4: Level of education	
Figure	5: Number of household members	44
Figure	6: Personal income	45
Figure	7: Number of inhabitants in your town	45
Figure	8: Men's purchase preferences	47
Figure	9: Women's purchase preferences	47
Figure	10: Online shopping advantages, men	48
_	11: Online shopping advantages, women	
_	12: Disadvantages of online shopping, men	
_	13: Disadvantages of online shopping, women	
_	14: Advantages of retail, men	
	15: Advantages of retail, women	
_	16: Disadvantages of retail, men	
_	17: Disadvantages of retail, women	
_	18: Shop preferences by men	
	19: Shop preferences by women	
_	20: What have men bought in the last 2 years	
_	21: What have women bought in the last 2 years	
_	22: Brand awareness of refrigerators	
	23: Refrigerators at home	
	24: Manufacturers of washing machines	
	25: Washing machine at home	
	26: Factors which influence a choice of a fridge by men	
_	27: Factors which influence a choice of a fridge by women	
_	28: Factors which influence a choice of a washing machine for men	
	29: Factors which influence a choice of a washing machine for women	
_	30: HA purchase experience	
	31: The most known Samsung product	
_	32: Samsung is manufacturer of white goods	
_	33: Awareness that Samsung is a white goods manufacturer	
_	34: Samsung product owners	
Figure	35: Which product do you own	68

# List of pictures

Picture 1: Product's top position	70
Picture 2: Family Hub banner + Facebook post	73
Picture 3: QuickDrive Facebook post + Youtube video	74
Picture 4: QuickDrive model communication	92
Picture 5: Family Hub communication	92
List of tables  Table 1: New trends in marketing and target groups	34
Table 1: New trends in marketing and target groups	34
Table 2: Purchase preferences	
Table 3: Experience with home appliances purchase	63
Table 4: Samsung product owners	66
Table 5: Costs of advertising	81

#### 1 Introduction

Samsung is the biggest company in South Korea and the third biggest conglomerate in the world. The brand is well known as a producer of electronic devices, especially smart phones are the most successful products worldwide. Many people know well the phones of Galaxy series where the new model is produced every year to follow new innovations in technology. The department of IT and Mobile Communications owns the most profitable products into which company invests a lot of money in marketing communication.

However, the Samsung brand cannot be connected only with the smartphones. There are several kinds of products which are manufactured by Samsung as well. These are white goods, which are a part of Consumer Electronics department together with televisions. The brand's dominant products of this category are refrigerators and washing machines. They have reliable vacuum cleaners as well, but there are powerful competitors on the market which are available at lower price.

The biggest problem is that home appliances do not belong to the group of products which are bought for the first impression. The main reasons why people buy home appliances are breakdown, renovation of home and moving to another place. According to the company, home appliances are changed approximately every 7 or 10 years. Even though these products are not supplied in a short period, the marketing strategy must be implemented to attract customers.

#### 2 Objectives and Methodology

#### 2.1 Objectives

The main objective of this thesis is to identify and evaluate the marketing communication strategy for the White Goods division of Samsung Electronics Czech and Slovak s.r.o., and to propose how the awareness level of potential customers can be improved. The partial objective is to analyse how high the awareness level of the white goods range of the Samsung brand is. On this purpose the survey is used to demonstrate representative sample related to the topic of consumer behaviour.

At the beginning of this diploma thesis were set hypotheses related to the questionnaire as follows:

- Respondents tend to make an online purchase more than in retail
- The biggest advantage of online shopping is the possibility to compare prices with rivals more easily
- The biggest advantage of retail is the possibility to see and try the product
- The most frequently used shop is Alza online store
- For two years, people make a purchase of smart phones or small home appliances
- For customers, the most important factors which influence a purchase of white goods are price, quality, and reviews of the product
- Samsung company is well known as the manufacturer of smart phones and televisions more than of home appliances
- Respondents do not know that Samsung offers white goods

The main outcome will be to propose recommendations to improve the effectiveness of Marketing Communications in the White Goods sector of the company in the Czech Republic.

#### 2.2 Methodology

The first part of the thesis was processed by studying selected literature and internet resources related to the marketing, marketing communication and consumer behaviour topic.

In the second part the methodology consists of semi-structured illustrative online questionnaire and information provided by Samsung product marketing employees from the department of consumer electronics who are specialized in washing machines and refrigerators to evaluate marketing communication which is used by the brand.

The aim of this thesis is to find out how the hypotheses differ in my random sample of respondents and how big the level of awareness of selected brand is. The goal is to compare retail and online shopping experience and which factors influence consumer preferences.

The whole questionnaire consists of 18 questions related to the topic of consumer behaviour and 6 identifying questions, where sex, age and education are the most important for the final evaluation. The rest of them are number of household members, how many inhabitants live in respondent's town or village and how high their personal income is. The research questions are divided into 4 main parts:

- Comparison of online versus retail shopping experience
  - Questions related to advantages and disadvantages of both shopping experience and how usually respondents make a purchase
- Electronics and appliances purchase in general
  - Questions related to preferred shops and what respondents have bought during the last two years
- Washing machine and refrigerators preferences
  - Questions related to brand awareness of white goods manufacturers and factors which influence a purchase of them
- Samsung brand awareness
  - Questions about which Samsung product comes to respondent's mind, if they own a product and if they know that the brand offers white goods

The research approach in the study consists of evaluating the details of the home appliances market along with the factors that affect its consumer behaviour. The random sample is representative and focused on the experience from the Czech market.

The formation of the questionnaire was important to study the information related to consumer behaviour in white goods range which can be used for marketing communication of the company. The survey was done online through Facebook group and email to get many respondents with various experience. The survey was mostly focused on

people who has finished school and planning to move to the new house. The obtained results of the survey were analysed and evaluated to apply it for the marketing communication of the company.

The second part of methodology is related to marketing communication of the Samsung brand. There will be an evaluation of channels which are used by the company to interact with customers to increase the level of brand awareness for the white goods range. The information will be provided by Samsung employees from the product marketing of home appliances where they can give the inside view how long it takes to create a new marketing campaign and how much it costs to make it visible, especially for the target group. The marketing communication will be divided into the online, retail and influence marketing strategy. The main part of Samsung brand is online communication in which digital media, social media and cooperation with online stores are involved.

This provided information will be useful for enumeration of marketing communication methods which are part of Samsung's marketing strategy. The goal is to find out advantages and disadvantages of these channels and to recommend the innovation which is focused on social media or events which support interaction with potential customers.

#### 3 Literature Review

#### 3.1 Consumer Behaviour

"Consumer behaviour is the study of consumers and the processes they use to choose, use (consume), and dispose of products and services, including consumers' emotional, mental, and behavioural responses. Consumer behaviour incorporates ideas from several sciences including psychology, biology, chemistry, and economics." (Radu, 2019)

Form the marketing perspective the consumer has wider meaning. It does not represent only purchase, but it also tends to aggregate purchase pattern. Firstly, people are desired to buy a new product, searching for information and reviews, look for product types and try to specialize in brands which they would like to choose for their purchase. This is involved by previous experience or from people around, who prefer given brand. Secondly, they decide to go to a shop and buy a product which they found interesting or satisfying for their needs. Finally, they make a purchase and gets into the role of reviewer. They can try the product and decide if it fulfils their expectations or not. (Pachauri, 2002)

Philip Kotler (2005) has formed a model of consumer market and buyer's behaviour. The base of this model can be divided into three main factors – marketing and other stimuli, buyer's black box and buyer's responses. Marketing stimuli for the customer could be marketing mix. The product which can fulfils the customer needs, price which represents the value for the customer, promotion which is the most visible tool of the mix and play a key role in decision making, and place, how is the product shared to get the consumer's attention. There are other stimuli which affect the decision of the consumer to make a purchase of the product. For example, economic situation of the buyer, if he can afford to pay for it. There can be a political decision such as that the brand is from the country which he do not support or some technological aspects of the product.

Buyer's black box is a term used for the consumer characteristics and decision process. How is the person able to respond the stimuli, where he can receive the communication and how he can process the message. After the perception of the stimuli comes the decision process where the buyer should decide if he will make a purchase or he is not persuaded enough. Buyer's responses are the last part of the model. This observation is made to think about the choice of the product – why the buyer bought this product? There can be a specific choice of the brand after satisfied usage or involved by people

around the consumer. There are traits such as dealer's choice, the time of the purchase and purchased around.

There are several characteristics which affects consumer behaviour as well. The first group is cultural factors. The culture is the most basic cause of consumer's wants and behaviour which is learned. There is a power if cultural influences to shape the buyer's needs. The cultural shifts can be an advantage for the company to catch the new market opportunities for the cultures. The other impact has social factors. The basic group is family, the most important buying organisation. Every individual is mostly involved by the family in their purchase decision. It starts with the thing of everyday usage at home or the brand of television which parents have at home. Other can be some membership where we must get specific things for the future usage, such as sport equipment etc. The next factor is personal which is the most various among people. There is different taste in food, clothes or technological preferences. People can vary in level of activities which they do every day, what they are interested in, which lifestyle suits them the best. They have different status or different income. The last one is psychological factors where belong personal needs and desires. People have different motivation and goals. Every person can be involved by the marketing communication in the different way than marketers expecting. Some of them trust to the TV commercial and spontaneously buy a new product and others might be more realistic and compare it with rivals. (Kotler, 2012)

#### 3.2 Marketing

"Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others." (Kotler, 2005)

Marketing is a tool between business and customer. This field is more interested in customers than any other business function. The simplest definition is that it is managing profitable relationship with customer. The main aim is to attract a possible buyer to make a purchase or use service and keep it for the future. (Kotler, 2012)

Many people imagine that marketing is only about selling and advertising thanks to uncountable commercials or direct mails campaigns which they see almost every day. On the other hand, those kind of marketing tools represent only a few functions used to attract potential customers. In the past, marketing was understood as "telling and selling," a goal to maximise sales volume. Today, there is a new sense of this view which tends to satisfy

customer needs more than just ordinary sell, which is final after a product is produced. Marketing itself must start before the company can deliver the product to the market. The main terms of marketing are shown in the figure below. (Kotler, 2005)

Needs, wants, and demands

Core marketing concepts

Exchange, transactions, and relationships

Value and satisfaction

**Figure 1: Principles of Marketing** 

Source: Kotler, Philip, 2005

Needs represents a human feeling of deprivation which includes basic needs for food, clothing, or safety. When a person is not satisfied, he looks for a thing which will satisfy him or try to reduce the need. This tends to wants which represents next form of needs that are possible to get in the society or environment. Every person differs, in developing countries such as Cambodia, there is the want of food or safety. On the other hand, in developed country like Great Britain, there are those wants ordinary and people think about more than basic needs, they want a new mobile phone or car. Those shifts create demand which leads to buying power.

Marketing offer of product, services or experience is the next step to get on the market. The main mistake which sellers do is that they are paying more attention to the exact products than to benefits or experience of it. They should know that the exact product is a tool to solve customer problem. Consumers want to think that product can touch their heart or give them a new experience. (Kotler, 2005)

Value is a difference which consumer gets from owing or using a product with costs which he must pay to get it. Product can cause a feeling that people are more

important when they own which leads to the satisfaction. When the performance matches expectations, the customer can repeat a purchase of the same brand.

Exchange comes when consumer can get desired think from somebody by offering something in return. From the buyer's perspective it is the only way how to get an object by offering money or different good or advantage instead of it. Exchange is a core concept of marketing where several conditions must be fulfilled. For example, each party must be able to communicate and deliver the desired object. This leads to transaction which represents a trade between two parties – for example, a shop and its customer where a shop gives a product and customer must give something in return, in this case money. Exchange and transaction are a step to relationship marketing which is based on relationship with customers and other stakeholders.

Market is created by concept of exchange and relationship. It is the only way to sell a product or service to the customer. In the past, market was a place where people come to get something and give to the seller their production. At this time, the only think which customers should give in return is money. (Kotler, 2005)

#### 3.2.1 Marketing Strategy

Marketing strategy is a logic by which company creates customer value and wants to achieve relationship which is profitable for both sides. The company must decide which customer will serve and how to achieve it. This method is often called STP – segmentation, targeting and positioning where differentiation is involved. The method is a base of customer-driven marketing strategy which means that the marketing is centred right to the customers. There are many differences among customer with different kind of needs. For the company is important to choose a segment to which they can serve best. The strategy leads to marketing mix which will be described in the next chapter. For both is important to do marketing analysis, planning, implementation, and control to create marketing environment which can be easily adapted by the company. (Kotler, 2012)

#### 3.2.1.1 Segmentation

Market is full of various types of customers, needs and products. From the marketer's point of view is the most important fact that segmentation must be done to offer the best opportunities. Consumers can be divided by geographic, psychographic, demographic, or behavioural factors. The process which creates dividing buyers into

different groups by their needs or characteristics where separate products or marketing programs are made is called market segmentation. (Kotler, 2012)

Segmentation leads to more homogenous subgroups where the members of a group can react in the same way to marketing stimuli and the other group should react in the different way than the first one. If there is no difference between the two groups in the way they react to marketing stimuli there is no reason to distinguish between them. In the stage of STP process, the segmentation is made by basic three steps:

- Definition of segmentation criteria
- Definition of segment profiles
- Assessment of the attractiveness of segments (Pelsmacker, 2007)

There are various analytical techniques to identify segments based on multiple variables. When the profile is identified, their attractiveness can be assessed. The segment is centred on the size and expected growth of sales, buying power and the volume of competition targeted at the same segment.

Segmentation has requirements for effective division of people. Segments must be measurable as a possibility to gather information about criteria, size, composition or purchasing power by each segment. It must be substantial enough to make profitable marketing campaigns. Marketing managers should identify the segment members and target to create marketing program, profiles must be attainable. Segment should lead to homogenous subgroups where members should react in the same way to the identical marketing stimuli than people from other segments. (Kotler, 2012)

#### 3.2.1.2 Targeting

"On the basis of this analysis of attractiveness the marketer will select a number of target group to focus on, based on their attractiveness and for which the company has relevant strengths." (Pelsmacker, 2007)

Targeting is a process which evaluates each market segments to measure attractiveness which leads to select one or more segments to enter. The company must target segments which are the most suitable and profitable for generating of consumer value which can lasts for a long time. Most companies can enter a new market by serving the single segment or involve more segments as well. It is typical of large corporates which has enough finances to attract more sectors on the marketplace or cooperate with its own sectors by a product which can fulfil more target groups. (Kotler, 2012)

According to Pelsmacker (2007) the future communication objectives or strategies should be aimed to the specific group which is the main target for the chosen segment. The most important decision is to be able to choose the most attractive target groups which help the company to maximize its profit. It has to consider four basic elements – size and growth of the segment, market stability, attractiveness and budget of the segment. There are five ways which are the most used to make targeting strategy:

- Concentration on one segment company choose one product for one market and create a structure of marketing mix for this category. The company is completely focused on one project where is easier to build up experience. The disadvantage is that the company is fully dependent on the only product which can stop growing in the future.
- Selective specialization company choose more segments which are attractive for it. There do not have to add any connection among more segments, but they should be profitable for the company
- Product specialization company is focused on one product but offers it to the different market segments.
- Market specialization a company is focused on one market and sell their various kind of products
- Full market coverage company tries to involve all customer groups with all products which they need.

#### 3.2.1.3 Positioning

"Positioning is arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers. Marketers plan positions that distinguish their product from competing brand and give them the greatest advantage in their target markets." (Kotler, 2012)

It can be defined as a sense by which is a target group influenced for purchase of a product by given brand and do not prefer competitors. It is a basic element of marketing strategy which means that it is important for the marketing communication. Naturally, for the marketing management is positioning important since it represents finding and supporting a universal and reliable image or position of the product or service.

In positioning is used visual tool called mapping. It is based on axes representing the dimensions which are important for consumers where is used various kind of positioning strategies.

- Attributes and benefits positioning based on product's selling proposition which create the brand of the company special for target market
- Price or quality offering the same or better-quality product at lower price than competitor.
- User of application lay stress on specific use of the product, for example use it in different type of the day than its competitor
- Product class positioning against another brand. For example, fast train connection as an alternative for airlines.
- Product user product which is used for specific group of people. For instance, sport-oriented people use whey protein after gym.
- Competitor comparative advertising to compete product made by different company.
- Cultural symbols a visual ways how to play with consumer behaviour found on traditional aspects by which company differ from competitors

A company may detect different competitive edges where it can choose one or more competitive advantage. The more claims a company makes about the brand, the greater can be a risk of disbelief which leads to possible mistakes which can company or brand made:

- Under positioning company fails with clear differentiation with competitors
- Over positioning company is extremely focused only on one benefit can reduce the number of interested consumers
- Confusing positioning when company makes inconsistent communication and choice of distribution channels which can give a confused image of a brand to the customer.

Developing a positioning strategy consists of seven steps:

- Identification of competitors
- Estimation of the consumer's perception of competitors
- Determination of positions of competitors

- Evaluation of consumer's preferences
- The placing decision
- Application of the positioning
- Observing the position (Pelsmacker, 2007)

#### 3.2.2 The Marketing Mix

As is written before, marketing simplifies the development of exchange regarding the new product which is made to attract consumers. It is a relationship where needs and wants must be carefully examining to create develop the product which fulfils and satisfy these needs where price play an important role as well. To create this long way, there is an importance of tools which become to the group of marketing mix. It characterizes channels which have to be involved to create better marketing concept. These distribution channels are called four Ps, where product, price, place and promotion are the basic elements of marketing mix. The proper marketing mix is not enough, there is an importance of marketer's knowledge to make it more successful and know how to combine them which leads to consumer research. (Belch, 2003) This 4P model is was firstly classified by Edmund Jerome McCarthy, the American marketing theorist. He believed that good marketing plan is visible by using the right combination and variables of marketing mix. (Kotler, 2013)

#### 3.2.2.1 Product

The tool of product consists of three layers. The first layer is the unique benefit of the product which is marketed. The second is a unique place in consumer's mind that product must be focused upon to make a purchase. The brand itself is a summary of benefits which are offered to the customers. Finally, given product become tangible with added value than consumer expected. (Belch, 2003)

When company thinks about a product, there are many features which leads to the final product to be successful on the market. The product should be various and original to get to the market. Customer needs a feeling that the product cannot be purchased from the different company and if so, there must be the strong reason why to buy it from a given brand. The quality and design play a big role because if someone wants to buy something to use it for a long period, it must be reliable and safe. Brand itself can play a big role. If a consumer has some positive experiences with a different product manufactured by the

same brand, it can create a strong relationship to buy a new product exactly from the same brand. The package should be attractive for the consumer to get their attention. Sometimes extended guaranty plays a big role in decision making too. Thanks to this option is consumer surer that the company wants to treat well their potential customers and offers superior products. Many brands offer extra services such as product installation or old product removal as an extra benefit for customers which can stand on the top of the tangible product. (Kotler, 2013)

#### 3.2.2.2 Price

Price itself does not cost anything but provides the resources which can be spend on marketing activity and production. There is used a term called listed price. It represents the price of a product under which it should be purchased, the official one. Even though there are different options how to play with the price to create a better offer for the customer. These possibilities are discounts or incentives which leads to the higher attractiveness of the product. The method of down payments and payments period which are combined with attractive interest rates leads to effective way how to sell a product. On the other side, cutting of price mean losing margin and profit. Moreover, customers get used to discounts during special periods of time through clearance sales, but they can be educated to buy a product on price and to become a brand-switcher. The usage of price instruments like discounts is not the best way how to build a strong position and the strong brand based on product characteristics or benefits. On the other hand, the good marketing itself can lead to avoidance of the price tool as much as possible. (Pelsmacker, 2007)

Some companies use special discounts which origin is from Italian word rabbato. It represents the discount from sell out price, usually expressed by percentages. For example, this discount is used when the company wants to sell the new product and looking for a retail or online store, which could sell the product. To make a deal, there is usually use this discount, where the online shop often has higher percentage of this discount. (Kotler, 2012)

#### 3.2.2.3 Place

The place is a part of the mix which represents company's activities to that make a product available to target customers. The distribution of the product where company choose the ways how to transport the product and where to share it. There is a value delivery network, which is made up for the company, suppliers and customers to improve

the performance. The marketing channel is the main part of the place because it involves the process of making a product or service available for use or consumption. Basically, it is a process of moving products from the company, who manufactured it, to the customer through the wholesalers, distributors etc. Into this category belong logistics, transportation or inventory. (Kotler, 2012)

#### 3.2.2.4 Promotion

The last part of the mix is promotion, which is the most visible tool for consumers. It involves all the instruments by which can company communicate to the audience. This tool is the most effective to persuade target group to buy a product. The communication mix is defined in the next chapters. (Pelsmacker, 2007)

Recently, in practical usage the previous 4Ps model is not as valid as before because of complexity and wideness of marketing meaning. The 4Ps has been changed according to present to people, processes, programs and performance which represents more representative and real values of marketing today, but the previous model is still the element of marketing today.

- People represents internal marketing and fact that employees play important role for marketing success. Marketing is as good as the people inside the company. The other fact is that marketers should feel the consumer as people to better understand their way of living in wider meaning and not only when they want to purchase a product or use some services.
- Processes reflect the creativity, disciplines and a structure which enters the marketing management. Marketers must avoid the ad-hoc planning, the plan which stands only on the one clear purpose, and make sure that modern marketing thinking, and processes plays the important roles in the all aspects which they are normally doing by themself. The right order of processes supports the best marketing mix implementation. (Kotler, 2012)

#### 3.2.3 The DAGMAR model

The DAGMAR means Defining Advertising Goals for Measured Advertising Results which was firstly published by Russell Colley in 1961. He believed that marketing mix instruments, such as quality of the product, design etc. can influence sales together in a hand with market technological evolution and innovations. After the implementation of the

model, some of communication goals have highlighted the current stage of the potential buyer. It helped to use measurable goals where communication effects on sale were capable to interact with other marketing mix variables.

#### The DAGMAR model consists of:

- Category need
- Brand awareness
- Brand knowledge/comprehension
- Brand attitude
- Brand purchase intention
- Purchase facilitation
- Purchase
- Satisfaction
- Brand loyalty

The model is a hierarchy-off-effects model which is frequently used as a communication goals identifier. It helps to get an individual or a group to make a purchase of the product which was not bought before or try to increase the frequency or quantity to make the purchase again. During the communication process are defined nine effects which are the most important. When a marketer defines an advantageous strategy, he must select the most appropriate effect from the list above. Every promotional campaign with one of those objectives. The right choice of appropriate goals depends on the problems that have come during preliminary analysis of the market, brand position and others. (Pelsmacker, 2007)

When it comes to the good set of marketing communication goals, they should have several characteristics:

- fit in with the overall company and marketing goals
- be relevant to the identified problems and specific to cope with threats or to build on opportunities in the market
- be targeted to different target audiences; this implies that different target groups (such as countries, socio-demographic groups, heavy and light users) could need different communications objectives
- be quantified in order to be measurable which allows you to make a precise evaluation of the campaign results

- be comprehensive and motivating to all involved persons but at the same time be realistic and achievable
- be timed to enable specific scheduling of the campaign as well as planning of results evaluation
- be translated into sub-goals when necessary. (Pelsmacker, 2007)

#### 3.3 Marketing communication

Communication is an activity which is important for people to get connected with the environment. It represents one of the most popular activity among people as a social being. From the marketing point of view, communication is a strategy which helps to give a message to the potential customer. (Blythe, 2006)

Marketing communication represents one of the four tools of marketing mix. This part of "4Ps" is the most visible tool because it creates a connection between the product and people to persuade them to buy it or at least get information about it. The main reason is that marketers gives a message to the chosen audience and try to promote the strengths of product or service for the target group. This field is changing almost every year due to new theories and technologies to create the most interesting way how the message should be sent to the receivers. It involves many instruments by which can be used by the company. (Pelsmacker, 2007)

The key elements are that marketing communication must be intentional – an effort which is premeditated to bring a response, transaction – participations should be involved, symbolic – such as words, pictures or music. Individual or firm must firstly reduce concepts to create a symbol for recipients which are easy to decode and get the original message. Participants must be able to share a common view of the symbol's meaning. The sender and the receiver must overlap to get the common language. In the form of communication as advertising, the overlap is more complex. It is often connected to popular culture as TV shows, where are common sayings or proverbs which is for audience easy to understand because of their awareness of cultural referents involved. (Blythe, 2006)

#### 3.3.1 Communication mix

Communication is the most important element for marketers which leads to the respectable marketing strategy. They have many ways of communication activities to maximise the impact. The simplistic tools of marketing communication basic elements

might be divided into four categories – advertising, public relations, sales promotion and personal selling. All above-mentioned tools subdivide further, but there are also some of them which not fit to the categories. The communication mix leads to promotional mix where are tools of communication recognised (Blythe, 2006)

Promotion is defined as the start of the product's selling and customer persuasion of promoted idea. Each element of the wider categories of promotional mix is seen as integrated marketing communication structure. There is still the large variety of instruments which creates successful marketing communication. All of them has its strengths and weaknesses but if they are used properly for the right product and service, it can create the wide range of product awareness. The communication mix leads to promotional mix where tools of communication recognised are. (Pelsmacker, 2007)

The promotional mix consists of six basic tools:

- Advertising
- Direct marketing
- Internet marketing
- Sales promotion
- Public relations
- Personal selling (Belch, 2003)

#### 3.3.1.1 Advertising

Advertising is sometimes deemed as a marketing communication itself because it represents the most visible tool of the communication mix. It is a nonpersonal communication because it uses mass media to share an idea in the public space. A company uses it to communicate new information about product, services, ideas or identified sponsors. The advertising message generally must be bought to reflect the space of time. Sometimes the type of public service announcements form of advertising is provided or donated by the media. (Pelsmacker, 2007)

For advertising is important to use mass media, such as television, radio, magazines etc. The reason is that mass media are capable to hare the given message to a large group of people and often at the same time. The nonpersonal kind of advertising can have a disadvantage that there is no feedback from the message recipients, apart from in direct-response advertising type. However, before the sharing of the message the advertiser must consider how the audience will respond to and interpret it. (Blythe, 2006)

The biggest advantage of advertising is its sharpness which leads to the fact that advertising is the best-known tool and most widely discussed around individuals. It creates one of the most important tools for bigger companies which products or services are oriented on the mass consumer markets. It can be a cost-effective method for communication because of extensive impact. For example, if there is a thirty second spot on the popular tv channels during prime time, there is a big chance that it reaches many households who are watching.

Advertising is possible to use as a tool to create a brand image. If the brand is known and represents a positive attitude, it is easier to sell the product which do not have many differences in comparison with similar ones. The strategy of advertising should be focused on the unique aspects of the product. The advertising's biggest advantage is the ability to strike potential target group of people. When the campaign for advertising is attractive for consumers and get the attention, it can easily generate sales. (Belch, 2003)

Advertising objective is a specific task to be achieved with a certain target audience during specific period. It should be based on decisions from the past which is related to the target market, positioning and marketing mix. It should help to build customer relationships by communicating customer value. There are possible objectives:

#### • Informative advertising

This objective is used when the new product or product category is introduced to the public where it can correct false impression and communicate the customer value. The goal is to build the demand which can help with building a brand or company image, suggesting new users, explaining how product work or describe available services and support.

#### • Persuasive advertising

This objective is related to increase of competition. The company tries to build a selective demand and encourages consumers to switch a brand or building the brand preference where people could inform others about the brand which they prefer. It persuades customer to build a new product from a given brand now and change their perceptions of product value.

#### • Reminder advertising

This objective is important for maintaining customer relationship and remain them to buy the product because it may be needed in the future. The goal is to get customers on the side of the brand which can help them where to purchase a product, especially in the brand stores which can help to keep the brand in the customers mind. (Kotler, 2012)

#### 3.3.1.2 Direct marketing

Direct marketing is a personal way how to communicate with potential clients. The direct communication to the target group of customers to generate a response or transaction. It is not only about the mailing, there are variety of activities. For example, database management, direct selling, telemarketing or direct response through direct email.

Direct response marketing is one of the major tools where product is promoted through an ad which encourages the consumer to buy a product from the manufacturer. In the past, direct mail was the primary medium how to get the direct response from the buyer. However, television and magazines have started to play an important role in communication. On the other hand, people are more interested in online media to save time with purchasing a product.

Direct marketing tools and techniques are used by the companies which distribute their products through traditional channels or have their own sales force. Direct marketing plays a big role in in the integrated marketing communication of consumer product companies, or even for business to business marketers. It can be used to distribute the product samples or target users of a competing brand. (Belch, 2003)

#### 3.3.1.3 Digital marketing

Interactive or internet marketing has started to be popular from the new millennium. It is the most dynamic and revolutionary change in marketing communication era, as advertising and promotion. These changes were supported by the advanced technology and developments in this field and growth of communication through interactive media. People become to be more online and sometimes they do not perceive the surroundings. Interactive media support a back-and-forth flow of information where users can participate in and modify the form or content of received information. There is a variety of function hot to get consumer's attention or persuade him to make a purchase.

The interactive medium has the greatest impact on marketing at this time since people have used social media or searching information on the phone or computer.

The internet is still changing which leads to the innovations in companies design and implementation of the business marketing strategy. Many of them, small or corporate businesses, have their websites as the basic need for the successful presentation of the products and services which they provide to attract customers with much information. The most perspective model is that companies advertise their products on websites which belong to other companies or organisation which are not rivals. Internet is that king of medium which can substitute all elements of promotional mix. Marketers can offer promotion incentives such as coupons and contests, do direct marketing and public relations activities which can be more effective. (Belch, 2003)

The communication with customer has grown thanks to the Internet because people are more online than in the past. The part of internet communication in marketing is called e-communication. E-communication together with the internet combines communication with selling and individuals via mobile phone or a computer. There is a possibility to use short text, video or sound transfer to the customer who is online. Interactive digital television has a possibility to transform the traditional form of marketing communication into interactive only. (Pelsmacker, 2007)

#### 3.3.1.4 Sales promotion

Sales promotion is a part of marketing communication which is related to activities which provides incentive and any other extra value to the sales force, distributors etc. There are two major categories:

- Consumer oriented sales promotion it is focused on the end user in which uses benefits like couponing, sampling, premiums or different point-of-purchase materials. They encourage customers to make instantaneous purchase which leads to short-term sales.
- Trade oriented sales promotion it is targeted to wholesalers, distributors or retailers. It is focused on price deals, sales contests or trade shows. The aim is to encourage the trade to stock and promote company's products.

Many companies have shifted from advertising to sales promotion to support their strategy. However, there is a possibility of declining a brand loyalty and increase sensitivity of consumer to promotion deals. Sales promotion is important for retailers as

well because they are demanding more trade promotion support from companies which they would like to be sold. (Belch, 2006)

#### 3.3.1.5 Public relations

Public relation is defined by Public Relations Society of America as follows: "Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics."

The publicity is a nonpersonal communication which is related to an organisation, product, service, or idea of specified sponsorship. Usually, it represents the form of new story, announcement about the organisation or product. It is like advertising in a way that it does not need direct personal communication but share the message with mass audience. One of the differences is that public relation is not directly paid by the company. The company must hire an agency or media to cover the story about the product or event to share company's ideas which affect the awareness and knowledge about the brand. Techniques are used to gain publicity through news releases, press conferences, photographs, feature articles etc. It can help consumers to be less sceptical towards information about a product or service where the source is unbiased. Another advantage is that is low cost because company do not pay for time in TV, radio or newspaper. The disadvantage is that the company do not take the full control under the publicity because of the agency which provide these services.

The public relations have broader objectives than publicity itself. It is the function which evaluates public attitudes, identify the procedures and policies of an individual or organisation with the public interest, execute an action program to get acceptance by the audience. The main purpose is to establish and maintain a positive image of the company among various publics.

The tools which are used by public relations are special publications, participation in community activities, fund-raising, sponsorship, or other special events with various public affairs activities. It must enhance and organisation's image. One of the public relations tools is advertising as well. Public relations and publicity represent the more supportive way to promote the product than marketing and promotional process. (Belch, 2003)

The basic tools of public relations were divided by Kotler (2005) into the model called PENCILS. where:

- P Publications, the communication on paper or video.
- E Events, such as conferences, congresses, sports or cultural events, business events, sponsorship etc.
- N News, the relations to Press Office and other media to support communication to share news about the company, employees, or products
- C Community, the relationship with the local community where can be investments from the company to help
- I Identity tools, where are all instruments to define the company's identity such as brand behaviour, letterhead, business cards or clothes
- L Lobbying, the relation with the system public decision-making which can block legislative measures and regulations in favour of the company
- S Social investments to testify the Corporate Social Responsibility which leads to the good reputation in this area

#### 3.3.1.6 Personal selling

"Personal selling is the oral presentation or demonstration of one or more salespersons aimed at selling the products or services in the company. It is a personal contact between a company representative and a prospect or client" (Pelsmacker, 2007)

Personal selling is a form of person-to-person communication. A seller attempts to assist and persuade a buyer to purchase the company's product or service which the seller favours or have a deal with. This promotion supports the direct contact between buyer and seller which is usually face-to-face if the customer is inside the shop, sometimes it can be done through online, telephone or other communication tools where feedback can be seen. There is a certain flexibility for the marketer – the seller can see or hear the customer's reactions and modify the message from him. This personal communication allows the seller to persuade the customer and change his mind about product or service. (Belch, 2003)

#### 3.3.2 New trends in marketing communication

According to Scott (2011), there has been placed new rules of marketing and PR communication, which have changed the marketing strategy of many companies. People are more interested in the internet and social media and try to find out how new technologies can help with their tasks. There is a wide range of marketing innovations on

the market as well. Some of them become an autonomous branch which have specific needs. Media can support the faster sharing of new information about product or service and commercial communication. The main advantage is their ability to create a picture which everyone can understand or think about it and shared by the internet.

Table 1: New trends in marketing and target groups

Segment	Marketing communication					
	Guerrilla	Digital	Viral	Product	Mobile	Traditional
	marketing	marketing	marketing	placement	marketing	forms
Children		X	X	X	X	X
Students	X	X	X	X	X	
Academians		X		X		
White collars	X	X	X	X	X	
Blue collars	X		X	X	X	X
Seniors						X
State area		X				X

Source: Frey 2011, own processing

#### 3.3.2.1 Guerrilla marketing

Unconventional marketing campaign. Its aim is to achieve the maximal effect with minimal costs. The form of guerrilla marketing can vary according to the marketers, but generally it represents "ambience" media channel. This kind of media contains placing of untraditional media to locality where target groups mostly occurs. The aim is to hit them because different kind of media could be less attractive for them. It represents a form of street marketing or it can be a reaction on competitor's campaign. Guerrilla marketing must hit the unexpected place, be focused on precisely targeted groups and strike back directly. (Frey, 2011)

#### 3.3.2.2 Digital Marketing

Digital marketing or online is entire part of marketing communication. Possibilities in this field are extended because of new innovations of technology and for some market segments groups it is more suitable than a common ad. Digital marketing contains every communication which use internet such as mobile marketing, online marketing or social media marketing.

Online marketing has a possibility to fulfil main marketing tasks, to support the brand and targeting the output of our communication. There are several tools how to use the internet such as banners, microsite, or online PR to support the brand. Search Engine Marketing or e-mail campaigns are suitable for targeting the output of the communication.

Banners represents just a top if the iceberg. However, there are some customers who need to be more persuaded to make a purchase. The most important is to be sure about the target group (by preferences or their hobbies), to be able to collect data how successful the campaign is and how much does it cost, for example click on the banner etc. The design is also important to make a good impression for the first sight.

The next important part of digital marketing is social media. The concept of social media and networking are channels that allows internet users to be able to add a content like feedback, comments, ratings etc. The main goal is to create the content which will be creative enough to get user's attention. Under social media belongs a permanent communication on the chosen websites, possibility to interact with customers, bloggers our journalist. The biggest disadvantage is that there can be created fake profiles or campaigns which can harm the product or service which would like to be sold. One of the most known platforms for social media marketing are Facebook, YouTube or Twitter for sharing posts, or LinkedIn as a business platform. (Frey, 2011)

#### 3.3.2.3 Viral marketing

Viral marketing is an ability to persuade customer to talk to each other about a product, a service or a website which you would like to promote online. The aim is to create a strategy with the interesting message to share. There must be fulfilled several steps to create successful campaign. It must be easy to share with other users, everyday life behaviour like entertainment, to offer the message for free, to use existing communication channels and to use other sources for sharing. The best tool for viral marketing can be social media such as Facebook or Instagram, which have many users.

Viral marketing is divided into passive and active form of the campaign. The passive form depends on positive feedback from the customer and do not influence the whole message. The active form can be influenced by the customer where he can share it with other people. The active form is better to increase sell out and to get higher brand awareness. The disadvantage is that the "virus" can be still alive even when the company is not interested in it. (Frey, 2011)

#### 3.3.2.4 Product placement

Product placement is an intentional and paid placing of a brand product to some audio-visual work. The aim of it is to promote the product which is visible for the

audience. The concept of product placement is that product from chosen company are visible in the film as a part of the story. The product can be implemented to the plot of the film or added to the picture. The aim is to hit the audience that he is not able to be insensible to the brand.

Product placement brings the opportunity to hit a target group. During the premiere of the film is an option to create a parallel advertising with the product in commercials or PR campaigns. The best option is to buy a part of the licence where characters from the film or slogans can be used in the commercial as well where is a possibility that the product will be well known with the situation from the film. (Frey, 2011)

#### 3.3.2.5 Mobile marketing

Mobile marketing is an interactive campaign which uses internet or mobile operators with a purpose to product or service promotion. This kind of marketing communication is effectiveness because mobile is a flexible and personal medium. It is a good tool how to add or strengthen the traditional form of communication. Thanks to the mobile phone is easier to attack the target group, in comparison with traditional communication tools there is a fast preparation of the campaign. The main advantage is that it is interactive with lower costs and promptly measurable. (Frey, 2011)

#### 3.3.2.6 Influence marketing

Influencers are consumers who influence other consumers with purchase. The main characteristic of influencer is that he is charismatic, they are sure about the product or service which they would like to recommend and have many followers. At this time, digital influencers started to be hot trend in social media who are used by many brands to become more popular.

Influencers are a new type of independent third part of the campaign who affect the audience through posts, blogs or tweets on social media campaign. They are usually in cooperation with agency which can choose the most suitable project for their personality to support. To influencers belong actors, musician, sportsmen or persons who are known in public thanks to social media. The biggest disadvantage is that influencers can do a post only for the money and do not recommend the product itself. (Kostic, 2019)

## 4 Practical Part

# 4.1 Introduction of the company

Samsung is a public company which was founded in 1938 by Lee Byung-Chull. It began as a small trading company which was placed in near Daegu city in South Korea. The company started a business as a firm with 40 employees where the mayor business was grocery production and distribution inside the city. During the 40s the company started to expand its business to the different fields. For example, in textile manufacturing, where the process was focused on the full line of production – from raw material to final product. In 1969 Samsung firstly entered the electronic industry. The production involved several electronically focused divisions where the first product was black and white television. This division included home appliances products which are in Czech called white range products including refrigerators, washing machines or vacuum cleaners.

During the 70s and 80s the company expanded and began to export products overseas. The first mobile phone was made in 1988 which became the most successful and earning department for the whole company. When Samsung released its Galaxy smartphone series, it caused a big boom on the market. This product became the most praised and frequently topped as the bestselling phone in the world. During the year 2006 Samsung succeeded with television as well and became the top-selling global manufacturer. The Galaxy series expanded during 2010 where the company decided to manufacture tablet computers and created a Galaxy Tab.

Today, Samsung as a conglomerate operates in many kinds of production worldwide. It is related to aerospace industry, electronical industry or even the production of chemicals or financial services. It is a big sponsor of worldwide events, for example since 1997 it has been the main sponsor of Olympic Games or a big supporter of Chelsea football club.

Samsung company is one of the world's largest producer of electronic devices and appliances. Unfortunately, it has many competitors, but still in some field of production it holds the top position. The brand has a strong power on the Czech market. All the Samsung products on the Czech market can be divided into 4 main categories:

- Mobile devices, especially galaxy series, which involves smart phones, tablets, and wearables – for example, smart watches, fitness watches or galaxy buds<sup>1</sup>
- TV and AV, which involves LED televisions, smart televisions with full HD and Qled<sup>2</sup> screen, and home soundbar systems
- HA, home appliances which contains washing machines, refrigerators microwave ovens, robotic and stick vacuum cleaners and air conditioning.
   Since the year 2020 Samsung has started to offer built-in products for cooking, such as oven, cooking plates or dish washers
- IT, which involves monitors, SSD and external memory disks, cards or flash drives

#### **4.1.1** White Goods introduction

As an Asian leader and strong company on the market, Samsung builds its brand on quality and reliability of the products which are exposed to strict tests in heavy conditions. The Czech and Slovak department employs technical specialists who test the products to guarantee safe usage of the given product. The proof can be a list of gained certificated proving a quality of the product. For example, in the Czech Republic, there is a certificate which is awarded by an independent newspaper agency called dTest. This certificate is given to the product, which has been tested by this agency and evaluated by the scale from 0 to 100% to compare its durability. The brand offers various kinds of features which mostly differ from products of Samsung competitors. The most important product leaders are described in the next sections.

### 4.1.1.1 Refrigerators

Refrigerators by Samsung company belong to premium quality products on the Czech market where they hold the top position among rivals. The brand offers 70 products in its portfolio for the Czech market which are divided into four main categories: combination with bottom freezer, built-in, American side-by-side fridge and French door. According to the internal data, the brand owns 16 % of the market share. On the second position is LG, which is the most powerful rival on the market. The next important

<sup>&</sup>lt;sup>1</sup> Wireless earbuds

<sup>&</sup>lt;sup>2</sup> Quantum dot LED – technology which uses dots to emit light, ultra-thin and flexible screen

competitors for the brand are Bosch and Whirlpool. Among others which affect the market belong AEG, Beko and Gorenje. The most important product category for Samsung is American side-by-side type of a fridge.

During the year 2019 Samsung brand introduced an innovative refrigerator which is called Family Hub. This product is one of the first on the Czech market with the strong connection to smart home. This kind of fridge has a tablet as a touchable screen on the door with android system. The tablet can be connected to the Wi-Fi and it is used to listen to the music, watch cooking shows or to use other multimedia. Inside the fridge, there are cameras which can take a list of the products to help with organisation of groceries. There is a possibility to make notes on the virtual shopping list and send a reminder to the mobile phone. The aim is to help people with everyday life tasks.

## 4.1.1.2 Washing Machines

From the point of view in laundry sector, Samsung Company offers 40 products on the Czech market which differ by the type, size and technological features. There are three main groups – washing machines, dryers and washer dryers. On the other hand, Samsung is not a strong leader on the Czech market, where it owns 4,8 % of the market share. In comparison with 2018, it has grown by 0,5 %, but still it is not as successful as refrigerators. The most successful brand on the Czech market is AEG, a German producer, which holds the top position. On the second position is LG brand, the biggest rival from South Korea.

As far as marketing communication is concerned, the company is more focused on QuickDrive model line which is introduced in the next paragraph. Slim washing machines do not represent the key products for the Samsung brand. However, as an appliance manufacturer it is important to offer those kind of washing machines to the customers to keep wide range of products and to attract more consumers.

The QuickDrive models are efficient even when the laundry is shortened by a half of time in comparison with previous models. The reason is, that the washing machine is powered by two inverter motors. The front part of the drum is rotating clockwise and the bottom part anticlockwise which leads to faster laundry and gentle care for the clothes. Those motors do not influence the energy consumption, the washing machine saves the energy by one fifth of the total energy consumption in comparison with previous models.

The other benefit is AddWash, the door in door where forgotten clothes or softener can be added during washing cycle.

#### 4.1.2 Smart home

People are living in the world of innovation and technological growth. In this fast period where both, men and women, want to be successful at work, there is not enough time or energy to spend on housework and other mandatory activities at home to make it clean and comfortable. That is a base of marketing communication to this new area of home appliances. People are addicted to their mobile phones and live more online than before. However, they still want to have enough space for their free time activities or spend time with families while the house is tidy without their hard work.

Smart home represents a connection among more products than just home appliances. People can imagine a situation that they come home after work and instead of cleaning they can spend time with children or just relax in the living room. That is the next level which Samsung brand would like to achieve, create a house which is helpful, and an owner is not its "slave".

Smart washing machine is capable to auto dose a detergent according to dirt and weight of laundry. Dryer can automatically set a programme according to washing machine. Samsung smart home includes robotic vacuum cleaners which can be operated within the house through Wi-Fi connection. The robotic vacuum cleaner is smart enough to scan the whole room or flat and make the most efficient cleaning system and if the battery is low, it can charge itself and finish cleaning right after. The smart fridge can be the next level how to improve online delivery service of groceries or help with cooking.

In the Czech Republic, the trend of smart home appliances is not as popular as in the neighbourhood countries. According to the research from the independent agency, people are very satisfied with smart appliances in general. The graph below shows opinions from people who have already bought a smart device or appliance.

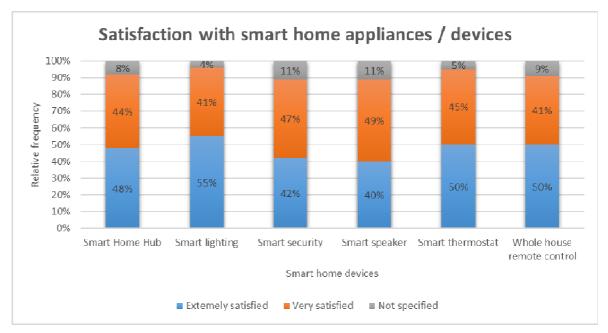


Figure 2: How satisfied are you with your smart device?

Source: Futuresource Consulting 2019, own processing

The graph shows opinions from Germany, United Kingdom, France and the USA where 30% of the sample own smart device at home. As it is visible in the graph, people who own smart lighting are most satisfied. However, in total impressions, when people make a purchase, they would recommend it to others. In total, only 8% of the sample do not have specified opinion on the smart home technology.

According to the smart home users, there are several advantages and disadvantages of the products. The biggest advantage is that thanks to them life is easier. The other fact is that that they can improve the energy efficiency at home or user is able to control it from anywhere. The main disadvantage is that many people find it too expensive. Users feel unsafe and concerned about the security or privacy because the device is still online.

# 4.2 Evaluation of the questionnaire

The questionnaire was made online for the representative purpose. The survey was filled by 181 respondents online through google form, which was shared across social media, especially Facebook groups. There were six identifying questions related to participant's sex, age, level of education, number of inhabitants and personal income which helped to form the final random sample. The chosen group involved 167 respondents who were from 18 to 34. The main reason was that a lot of people at this age must deal with housing for the first time. They have finished school and plan to move out

of the parents' reach or continue with studies after high school which usually leads to move to another town. Both decisions tend to home appliance purchase where at least a refrigerator is needed.

The whole questionnaire contains eighteen questions related to the topic of consumer behaviour and shopping experience. Firstly, there were five of them related to the differences of online and retail shopping, its advantages and disadvantages and preferences. The next section was related to shopping of electronics and appliances in general. Respondents had to think about the most preferred shops where they usually buy these kinds of products. They also had to write which product has been bought by them in the last two years. The next section was related to the home appliances, especially to the purchase of refrigerator and washing machine. Respondents had to think about which brands of white goods they own at home and which of them come to their mind in general. There were also questions which were related to the factors which influence the choice of a refrigerator and a washing machine. The last section was related to the Samsung brand. The reason of the last section was that people avoided the affection by the brand in previous questions. Respondents were asked about the brand awareness, which product comes to their mind if they think about the brand in general, if they own a Samsung product or if they know that it offers home appliances on the Czech market.

Number of women overtop men, which means that there were 106 women and 61 men involved in total. The reason might be that women are more interested in the home appliances because they usually must deal with housework more than men. The second identifying question was related to the age of respondents where two groups were chosen for the final sample. Most of the respondents were from 18 to 24, as we can see in the pie below. This group represents 122 people where 81 people were women. The second largest group was from 25 to 34, where 45 people were involved and 20 of respondents were men.

DIVISION OF RESPONDENTS

Women 25-34
15%

Men 18-24
25%

Women 18-24
48%

Figure 3: Division of respondents

The third identifying question was related to the level of education which respondents achieved. In the questionnaire, there were four levels of education to select – basic school, vocational school, high school and the university. The biggest share of respondents was made by the people who finished high school, 89 in total. 78 respondents gained university degree. There was nobody from the random sample who finished their education level by elementary school or attended vocational school.

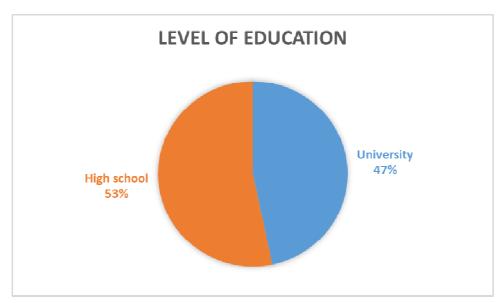


Figure 4: Level of education

The next question was related to the number of household members. This information is useful to think about the size of the washing machine or the fridge for purchase. There is a possibility to imagine the size of the house to find specific customer's needs. The strongest portion belongs to a household where live two or four people together as we can see in the pie below. This group of two is represented by 48 and a group of four is represented by 45 people which is more than 60 % of the respondents.

NUMBER OF HOUSEHOLD MEMBERS

5+ 1
9%

14%
229%

Figure 5: Number of household members

Source: Data based on questionnaire, own processing

The next question was related to personal income. This result can demonstrate how much money people are able to spend on a new product or how much they can contribute to the shared household. 80 respondents have personal income under 15 thousand CZK which demonstrates that the part of respondents is still studying and living in a dormitory or a flat which is shared with other students. For the future, personal income of students will be higher because they will probably change their part time job to the full time.

PERSONAL INCOME

50 001 CZK +
4%

30 001 – 40 000 CZK
12%

Less than 15 000 CZK
48%

Figure 6: Personal income

The last identifying question was related to the number of inhabitants in the place where people live. This result can be useful to estimate how many shops are near their home and if there is a possibility to compare more kinds of retails where to make a purchase when people are looking for a new product.

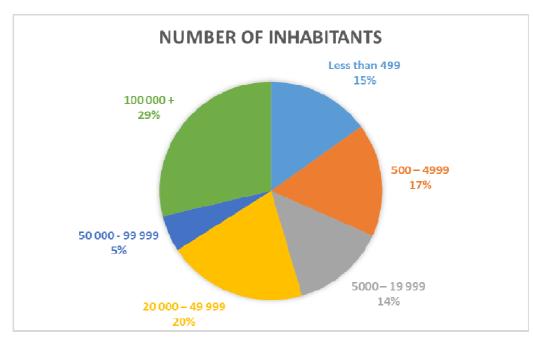


Figure 7: Number of inhabitants in your town

#### 4.2.1 Online vs Retail

The first part of the questionnaire was related to the topic of online and retail shopping. The aim was to get opinions about preferences and habits during purchase of non-food products in general. The first question was how and where people usually buy new products. The biggest share of online customers involves men from 18 to 24 with high school education and women at the same age that have university degree. Women with high school education prefer retail shopping, but also the combination of both in comparison with the whole respondents. The entire results are presented in the table below.

**Table 2: Purchase preferences** 

<b>Identification of respondents</b>			Absolute frequency			Relative frequency		
Sex	Age	Education	Online	Retail	Both	Online	Retail	Both
Men	18-24	High school	10	6	15	32%	19%	48%
Men	18-24	University	1	4	5	10%	40%	50%
Men	25-34	High school	1	6	1	13%	75%	13%
Men	25-34	University	2	2	8	17%	17%	67%
Women	18-24	High school	4	22	18	9%	50%	41%
Women	18-24	University	11	12	14	30%	32%	38%
Women	25-34	High school	1	2	3	17%	33%	50%
Women	25-34	University	5	5	9	26%	26%	47%

Source: Data based on questionnaire, own processing

Men between 18 and 24 prefer to buy products online and in retail together. However, men at this age with high school education prefer to make a purchase online than in retail. On the other hand, people at the same age with the university degree prefer retail to online purchase. There are bigger differences between men from 25 to 34 according to level of education. While men with high school education prefer to buy in retail, men with university degree prefer the combination of both shops.

Men's purchase preferences 0,80 Relative frequency 0,70 0,60 0,50 0,40 0,30 0,20 0,10 0,00 High school University High school University 18-24 18-24 25-34 25-34 Level of education Age ■ Online ■ Retail ■ Both

Figure 8: Men's purchase preferences

Women tend to use online and retail together. On the other hand, women from 18 to 24, who have high school education, prefer to buy a product in retail and they are not much interested in single online shopping. Women with the university degree at the same age prefer more the combination of retail and online purchase together. Women from 25 to 34 with university and high school education agree on combination of online and retail shopping where women with high school education are less interested in online shopping.

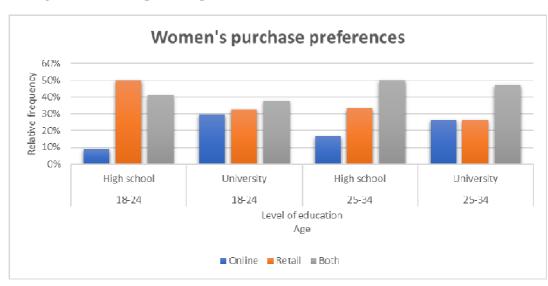


Figure 9: Women's purchase preferences

The subsequent questions were related to the main advantages and disadvantages of online and retail shopping. Respondents had to choose 3 answers as maximum among given options. The table below shows results of online shopping advantages.

In general, the three main advantages are price in comparison with rivals, time saving and a wide range of products. Men from 18 to 24 with high school education think that the biggest advantage is the ability to compare prices with other manufacturers. The men at the same age with university degree believe that the best advantage is a wide range of products. However, for men from 25 to 34 the biggest advantage is that online purchase offers better price for a product.

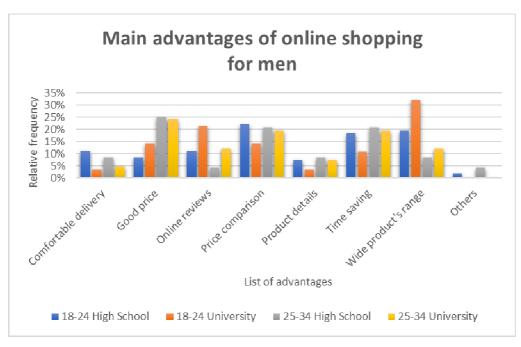


Figure 10: Online shopping advantages, men

Source: Data based on questionnaire, own processing

For women from 18 to 24 with high school education the biggest advantage is the possibility to compare prices among other brands. For women from 18 to 24 with the university degree the biggest advantage is a favourable price. Women from 25 to 34 with high school education agree on several advantages – good price, online reviews, the possibility to compare prices and that they save time on shopping. Women at the same age with university degree prefer that online shops offer a wide range of products.

Main advantages of online shopping for women 30% Relative frequency 25% 20% 15% 10% 5% 0% Wide pladuti's lange Online reviews Goodpice Price comparison List of advantages ■ 18-24 High School ■ 18-24 University ■ 25-34 High School 25-34 University

Figure 11: Online shopping advantages, women

The main disadvantages of online shopping are no possibility to see and try the product, waiting for the delivery and high expenses related to the delivery service. Men think that the biggest advantage is that they cannot see and try the product. The men from 18 to 24 agree that the other disadvantage is long product delivery. However, men from 25 to 34 have various opinions. While the men with high schoool education believe that the other disadvantage is a poor website, men with the university degree stand for long product delivery. All of them are less interested in disadvantage that there is no specialist who could help directly.

Main disadvantages of online shopping for 45% 40% Relative frequency 35% 30% 25% 20% 15% 10% 5% 0% Far pick up High Poor Untried Others No Long points deliverv product specialist's websites product expenses delivery advice List of disadvantages ■ 18-24 High School ■ 18-24 University ■ 25-34 High School = 25-34 University

Figure 12: Disadvantages of online shopping, men

Women have as similar opinions as men. The women from 18 to 24 miss the possibility to see and try the product whereas women at the same age with the university degree are less satisfied that there can be long product delivery. Women from 25 to 34 see a drawback in impossibility to try a product. On the other hand, women are not interested in disadvantages such as poor websites or no specialist's advice.

Main disadvantages of online shopping for women 50% 45% Relative frequency 40% 35% 30% 25% 20% 15% 10% 5% 0% Long Others Far pick up High Poor Untried No points delivery product specialist's websites product expenses delivery advice List of disadvantages ■ 18-24 High School ■ 18-24 University ■ 25-34 High School 25-34 University

Figure 13: Disadvantages of online shopping, women

In general, the main advantages of retail shopping represent the possibility to see and try the product, fast shopping and save on shipping. Men agree on the possibility to see and try product. On the second position is that shopping is done faster than online. They are less interested in additional service.

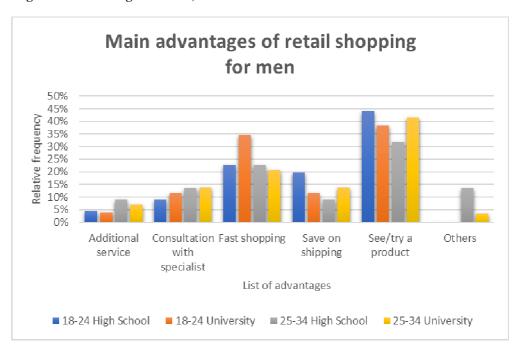


Figure 14: Advantages of retail, men

Women vary more with their opinions. The women from 18 to 24 with high school education think that the biggest advantage is an option to see and try the product while women with the university degree prefer that they can save on shipping. The second frequented reason was fast shopping. Women from 25 to 34 agree on an option to see and try the product. All of them are less interested in additional services which can retail provide or in consultation with a specialist.

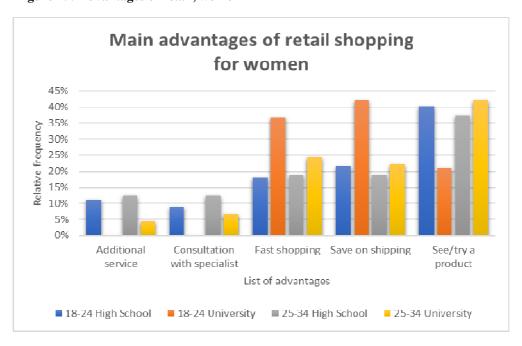


Figure 15: Advantages of retail, women

Source: Data based on questionnaire, own processing

The most preferred disadvantages of retail shopping include queues and crowded shops, insufficient range of products and that shop can be far away. The men from 18 to 24 with high school education do not like queues and crowded shops while men with university degree are not satisfied with the range of products. Men from 25 to 34 with high school education think that the problem is with low range of product while men with university degree are not satisfied with high price in comparison with online shop.

Main disadvantages of retail shopping for men 40% 35% Relative frequency 30% 25% 20% 15% 10% 5% 0% Unskilled Shop is far High price Less Low Queues. product info product crowded shop awav assistant range List of disadvantages ■ 25-34 High School ■ 18-24 High School ■ 18-24 University = 25-34 University

Figure 16: Disadvantages of retail, men

Women from 18 to 24 with both high school education and the university degree see the biggest disadvantage in queues and crowded shops. On the other hand, women from 25 to 34 with university degree share the same opinion together with low range of products. Women at the same age with university degree agree on the disadvantage of crowded shops and queues during a purchase.

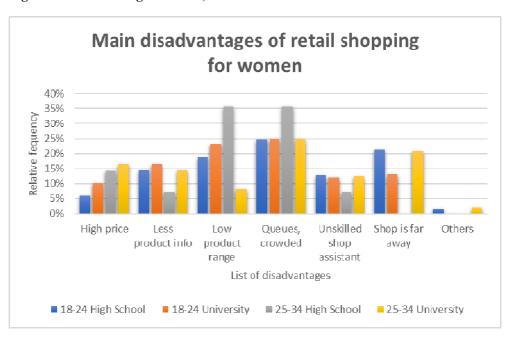


Figure 17: Disadvantages of retail, women

## 4.2.2 Appliances and devices purchase

The next part of the questionnaire was related to the purchase of electronic devices and appliances. The reason was to find which shop is the most preferred among people for a purchase. The next question was related to what people have bought during the last two years. This question demonstrates which device has been changed most frequently by consumers which belong to this representative sample.

The most popular shop is Alza, the online store which is most preferred by both men and women. Men from 18 to 24 with high school education like Datart, online and retail store, and CZC, which is purely online. Men at the same age with the university degree prefer CZC and Mall, which is online store as well. On the other hand, men from 25 to 34 with high school education prefer CZC, other shops or do not have any specific preferences. Men with the university degree make a purchase in CZC, Electro World, which is the retail or do not have any specific preferences.



Figure 18: Shop preferences by men

Source: Data based on questionnaire, own processing

Women from 18 to 24 with high school education and the university degree prefer Datart as the second frequented shop. On the other hand, women from 25 to 34 with high school education prefer Electro World. Women from 25 to 34 with the university degree like Datart together with Mall.

Women's preferred shops

90%
80%
70%
40%
40%
20%
10%
0%

List of shops

18-24 High School 18-24 University 25-34 High School 25-34 University

Figure 19: Shop preferences by women

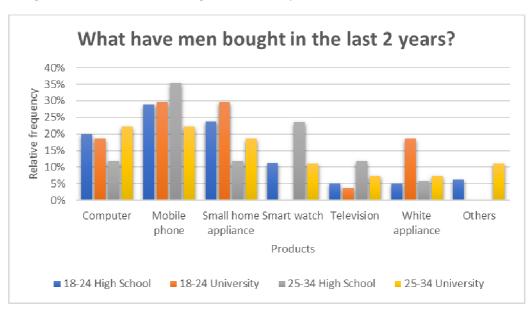


Figure 20: What have men bought in the last 2 years

Source: Data based on questionnaire, own processing

In the graph above there are products which men have purchased the most. A computer was mostly bought by men from 25-34 with the university degree. The most frequent product was a mobile phone where the biggest share of purchase represents men from 25 to 34 with high school education. Small home appliances were mostly bought by men from 18 to 24 with the university degree and less bought by men from 25 to 34 with high school education. Smart watch was not purchased by men from 18 to 24 with the university degree. On the other hand, it was mostly purchased by men from 25 to 34 with

high school education. A little bit surprising is that the purchase of the television was not common during this time because of switching of the signal. The biggest share is only 12% which is represented by men from 24 to 34 with high school education. Nearly 20% of men from 18 to 34 have bought white appliances where the rest is around 5%.

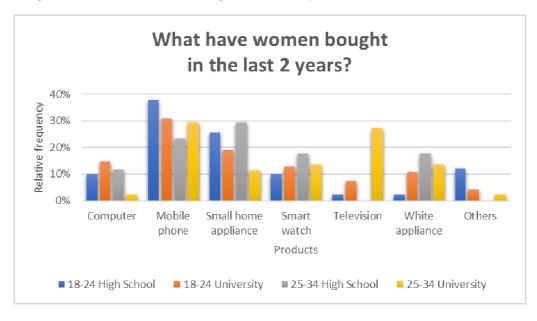


Figure 21: What have women bought in the last 2 years

Source: Data based on questionnaire, own processing

The purchasing was a bit different for women. A computer has one of the smallest shares where most of the customers were women from 18 to 24 with the university degree. On the other hand, as for men the mobile phone was the most purchased product for women. About 38 % of women from 18 to 24 with high school education have purchased it the most. 30 % of women from 25 to 34 with high school education have bought small home appliances, on the second position there are women from 18 to 24 with the same level of education. The purchase of television was made by women from 25 to 34 with the university degree. There were no women from 25 to 34 with high school education who would buy a television. White appliance was mostly bought by women from 25 to 34 with high school education and least by women from 18 to 24 with the same level of education.

#### **4.2.3** White Goods preferences

The third section of the questionnaire was related to the white goods, especially refrigerators and washing machines. In the first part respondents had to think which brand of these appliances comes to their mind for the first impression and which brands do they

have at home. The last part was related to the factors which influence the choice of these products.

The results are mainly positive for the Samsung brand which occupies the second place. The most popular brand is Bosch, the brand from Germany which belongs to the biggest rivals. The third popular brand is Beko, the brand from Turkey. LG brand, which is also from Korea, was fourth frequented brand in respondent's mind. The rest is in the graph below.

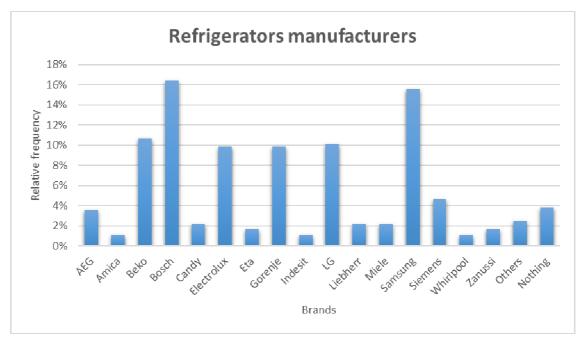


Figure 22: Brand awareness of refrigerators

Source: Data based on questionnaire, own processing

About 27% of respondents did not know which brand of the fridge they have at home. The reason might be that they did not choose it, or they were not really interested in the purchase because 27% of all respondents live in household that includes four members. The most frequented brand is Bosch, which is expected because of the result of the previous question. The second position belongs to other brands, such as ECG or Zanussi. On the other hand, Samsung is not so common for the representative household, but it is still owned by more people than LG.

Refrigerators at home

30%
25%
20%
15%
5%
0%

NEC ARRIED BERO BOECH CARGIN COTENIE LE LEBRER STREET SERVER SERVER MINISTRED OFFRES STREET SERVER SERVER MINISTRED OFFRES STREET SERVER MIN

Figure 23: Refrigerators at home

The most frequented brand of washing machines is the same as for refrigerators. The most popular brand is Bosch again. The second position belongs to Whirlpool, the brand with origin in the United States which is well known as home appliances manufacturer, especially for their dish washers. The third is LG and on the fourth position is Samsung finally.

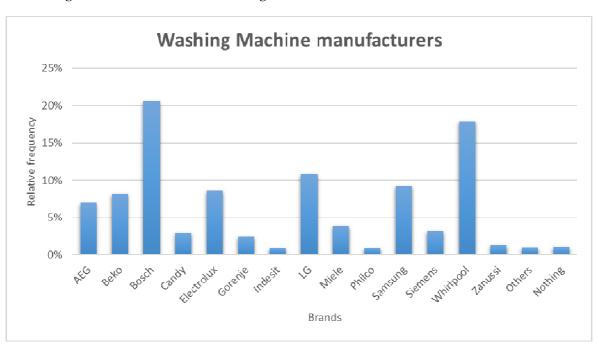


Figure 24: Manufacturers of washing machines

More than 20% of people are not sure which washing machine they have at home because they did not choose it. On the other hand, the most frequented brands are Whirlpool and Bosch, as it is expected because of the results from the previous question. Washing machine manufactured by Samsung brand is owned by 3% of respondents which is really low. On the other hand, it is not the lowest value, but there are more people who own LG.

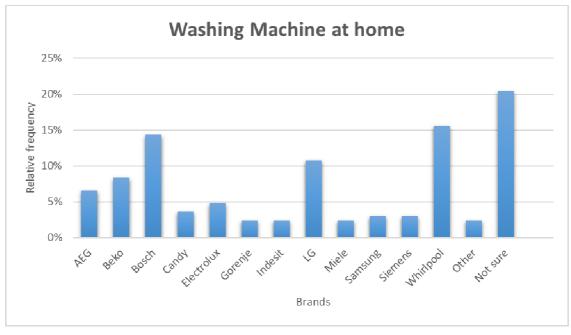


Figure 25: Washing machine at home

Source: Data based on questionnaire, own processing

The next question was related to experiences with a purchase of home appliances. In the questionnaire there were set factors which influence the choice of the new fridge and washing machine. Respondents had to choose maximum of five factors which are the most important for their choice.

In general, the most frequent answers for a fridge are quality and reliability, price, power consumption, technical specification and internal size of a fridge. Men from 18 to 24 with high school education think that the most important factor is quality and reliability of the product. On the other hand, men at the same age with the university degree agree on power consumption, price and reviews. For men from 25 to 34 with high school education interior design is also important. Men from 24 to 34 with the university degree prefer power consumption and price of a fridge.

How men choose a fridge

25%

20%

15%

10%

5%

0%

Reared Description of factors

List of factors

18-24 High School 18-24 University 25-34 High School 25-34 University

Figure 26: Factors which influence a choice of a fridge by men

Women from 18 to 24 with high school education and the university degree agree on quality and reliability of the product. On the other hand, for women from 25 to 34 with high school education the most important factors are interior design and reviews. Women from 25 to 34 with the university degree think that price of the product is important.

How women choose a fridge

25%

20%

15%

5%

0%

Result Special Speci

Figure 27: Factors which influence a choice of a fridge by women

The choice of a washing machine is mostly influenced by quality and reliability, price, power consumption, technical specification and reviews. For men from 18 to 25 with high school education is the most important factor quality and reliability of the washing machine. However, men at the same age with the university degree think that the most important factor is a price of the product. Men from 25 to 34 with high school education are interested in price, reviews and size or washing capacity of the washing machine while men from 25 to 34 with the university look for a price and quality and reliability of the product.

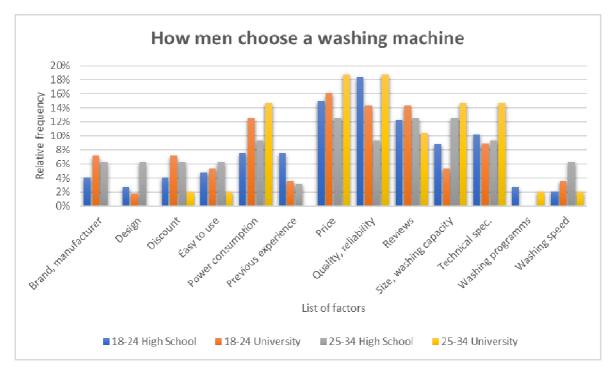


Figure 28: Factors which influence a choice of a washing machine for men

Women from 18 to 24 with high school education are interested in quality and reliability whereas women with the university degree are more interested in price. Women from 25 to 34 with high school education prefer size and washing capacity. Women at the same age with the university degree are mostly interested in a price of the washing machine.

How women choose a washing machine 20% 18% 16% Relative frequency 14% 12% 10% 8% 6% 4% 0% washing talacity Essy to use Washing Hogg Brins Washing speed Reviews Discons List of factors ■ 18-24 High School ■ 18-24 University ■ 25-34 High School 25-34 University

Figure 29: Factors which influence a choice of a washing machine for women

The last question is related to the overall experience with a purchase of home appliances. The reason was to find out if respondents had a possibility to choose a product by themselves or if they were involved to the purchase by their parents etc. The data are demonstrated in the table below.

Table 3: Experience with home appliances purchase

Experience with HA purchase			Yes - fre	equency	No - frequency	
Sex	Age	Education	Absolute	Relative	Absolute	Relative
Men	18-24	High school	18	58%	13	42%
Men	18-24	University	8	80%	2	20%
Men	25-34	High school	7	88%	1	13%
Men	25-34	University	7	88%	1	13%
Women	18-24	High school	27	61%	17	39%
Women	18-24	University	25	68%	12	32%
Women	25-34	High school	5	83%	1	17%
Women	25-34	University	15	83%	3	17%

Source: Data based on questionnaire, own processing

As it is seen in the graph, most of the respondents had an experience with the purchase. The biggest share of respondents who did not have any possibility to make a

purchase of home appliances are women from 18 to 24 with high school education and men at the same age and with the same level of education.

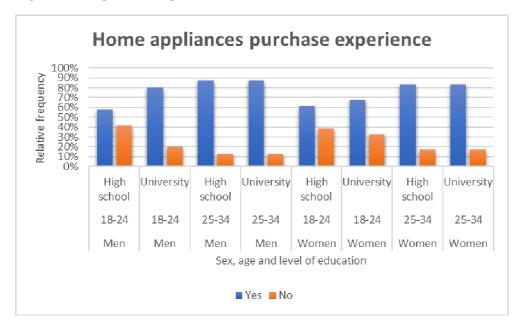


Figure 30: HA purchase experience

Source: Data based on questionnaire, own processing

# 4.2.4 Samsung brand awareness

The last part of the questionnaire was related to the Samsung brand itself. The aim was to find out how popular and in which sector the brand is and if respondents know that it is a home appliance manufacturer. The first question was related to the product which comes to respondent's mind when they think about a brand.

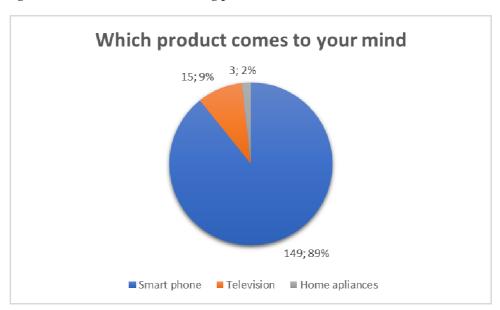


Figure 31: The most known Samsung product

The graph above shows that 149 of respondents said that the typical Samsung product is a mobile phone. Fifteen of respondents say that the first product on their mind is a television. Three of them said that they thought about a refrigerator and a washing machine.

The next question was separately related to the white goods and home appliances. The respondents had to answer a question if they know that Samsung is a manufacturer of white goods and appliances.

Figure 32: Samsung is manufacturer of white goods

			Absol Frequ		Relative Frequency	
Sex	Age	Education	Yes	No	Yes	No
Men	18-24	High School	30	1	97%	3%
Men	18-24	University	10	0	100%	0%
Men	25-34	High School	7	1	87%	13%
Men	25-34	University	12	0	100%	0%
Women	18-24	High School	39	5	89%	11%
Women	18-24	University	33	4	89%	11%
Women	25-34	High School	6	0	100%	0%
Women	25-34	University	17	2	89%	11%

The table above represents how well Samsung is known in home appliances sector. Most respondents know that Samsung offers white goods and home appliances on the Czech market. Among respondents, men from 18 to 34 with the university degree know well that Samsung is home appliances manufacturer. The same is applied for women from 25 to 34 with high school education.

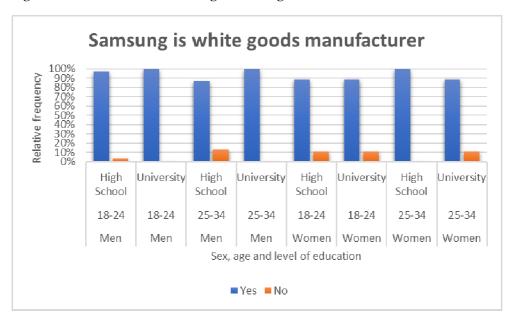


Figure 33: Awareness that Samsung is a white goods manufacturer

Source: Data based on questionnaire, own processing

The next question was related to the people who own Samsung product. The reason is to find out how popular the brand among representative sample is and which products they own. The results are demonstrated in the table below.

**Table 4: Samsung product owners** 

Who owns Samsung product			Yes - fre	equency	No - frequency	
Sex	Age	Education	Absolute	Relative	Absolute	Relative
Men	18-24	High school	8	26%	23	74%
Men	18-24	University	3	30%	7	70%
Men	25-34	High school	3	38%	5	63%
Men	25-34	University	8	67%	4	33%
Women	18-24	High school	20	45%	24	55%
Women	18-24	University	13	35%	24	65%
Women	25-34	High school	5	83%	1	17%
Women	25-34	University	10	53%	9	47%

There are fewer people who own Samsung products. The biggest share represents women from 25 to 34 with high school education. Men and women from 25 to 34 with the university degree are mostly owners as well. On the other hand, the rest of respondents seem to be less interested in the brand from this representative sample.

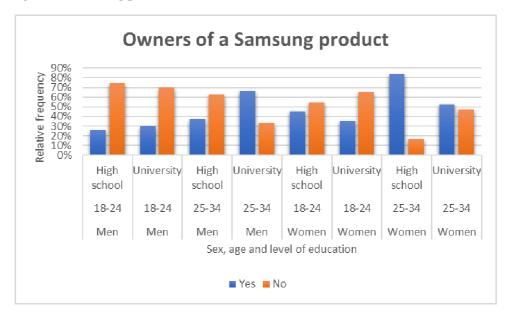


Figure 34: Samsung product owners

Source: Data based on questionnaire, own processing

Most of respondents are owners of smart phones. This result is expected because 89% of respondents said that the first product which comes to their mind is a smart phone. The next frequented product is television which is represented by 25%. The third frequented products are fridges and washing machines. The last group of products include earbuds, monitors, power banks or cameras.

Which Samsung product do you own

9; 11%

41; 49%

Smart phone Television White goods Other

Figure 35: Which product do you own

# 4.3 Evaluation of marketing communication

Samsung is a big conglomerate which is focused on a marketing strategy that will increase sell-out and attract attention of people who would think about the purchase. The brand has the strongest position with smart phones where the brand's purchase holds the top position every year. The main strategy for the brand is to focus on people who generally like the brand and prefer it during the purchase in different kinds of products. Samsung tries to involve people who are closer to make a purchase of the product, which is manufactured by the brand. Samsung aims at its brand store where the company would like to head most of customers. The goal is to persuade them to visit online Samsung store, online or retail shops where they would buy a product.

In general, home appliances do not belong to the products which are bought for the first impression – more days to think about the purchase than for clothes. If the purchase of home appliances is compared to the purchase of clothes, clothes belong to the group of products which are bought even if people do not need them. In case of a washing machine or a refrigerator, there must be a strong reason why to buy a new home appliance such as renovation, broken product or move to another household. The target group of white goods consumers are predominantly women because they are usually more involved in household activities than men.

The marketing strategy of home appliances is focused on cooperation with online and retail shops which deal with electrical supplies and it supports the brand store, which offers an online purchase and stores around the Czech Republic. However, the brand store communication is not as wide as the marketing through partner shops. The costs which are shown in the practical part are based on Samsung employees' information.

### 4.3.1 Advertising

Advertising of the brand can be divided into two main categories. ATL<sup>3</sup> and BTL<sup>4</sup> marketing. As written before, the marketing strategy is mainly focused on brand store support where the main goal is to persuade customers to make a purchase on their online brand shop or to visit their own retail.

For the Samsung brand, the base of the successful sale is to cooperate with electrical supplies which are mainly based on pure online shopping. There are three main online shops which have the strongest power on the market. The most important partner is Alza, the shop which owns 50% of the online market. In the past, Alza was a shop which offered electronic devices and appliances. Currently, the shop offers various kinds of products such as sport and outdoor equipment, tools for gardening, drugstore, toys, or car's accessories. The second position on online market belongs to Datart, which is also a retail. This online shop is focused on electronics but offers tools for gardening as well. The last powerful online shop is Mall. This shop is more similar to Alza by wide range of products. At this time, Mall is popular for their online television channel which is visited by many online users.

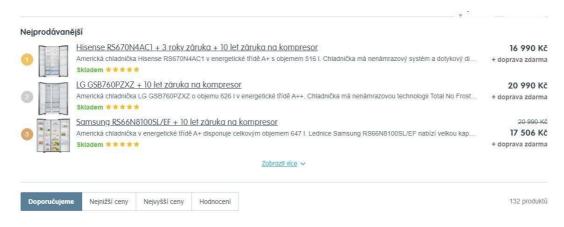
The one of the advertising strategies, which are made in cooperation with online shops, are called the "eleader" or the top position. This kind of advertising keeps the products among the top 3 or 5 products while the user is looking for the product's category. The brand has a possibility to choose which products are the most important for their sale. The main advantage of this top position is that the customer can see it directly on the cover page of the products' portfolio. The cost for this position is around 20 to 30 thousand CZK per month.

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<sup>&</sup>lt;sup>3</sup> Above the line advertising – used by mass media

<sup>&</sup>lt;sup>4</sup> Below the line advertising – used to attract exact target group

**Picture 1: Product's top position** 



Source: Mall.cz

In comparison with online communication, there are several retail shops which are important to cooperate with. According to Mediář.cz, there are main retail shops which are used by customers in the Czech Republic. One of them is Electro World, a retail which is focused on electronics and devices only. The next one is Okay, which offers electrical supplies and furniture. Every month, Samsung plans where discounts and other sales promotions are communicated, and which products are involved.

Brand store represents the key element for Samsung marketing strategy. The reason is that the brand feels more exclusive when the purchase in a brand store is made. The main strategy is to influence people to become "Samsung lovers" who would prefer many kinds of products which are manufactured by this brand. The main reason is that Samsung offers various kinds of products which can be connected to each other. The connection is made by a special application in the mobile phone. It is called "Samsung things" which works as a special remote control to many devices and appliances made by Samsung brand. This technical innovation leads to the smart household which is the future for the younger generation.

The mass media, which are used for the marketing communication, are mainly in cooperation with online shops and retails. When there is a shopping weekend, the shop creates a TV spot or a radio campaign which is broadcast at least two weeks before the event. The price which the brand has to pay for the TV spot is around 300 thousand CZK. The radio campaign is cheaper than a TV spot. The average price is 30 thousand CZK per week.

The advertising related to print is in cooperation with retails. The leaflet position for two products manufactured by the brand costs 60 thousand CZK per week and there is also a possibility to show the leaflet on TV. This extra payment is around 50 thousand CZK per week. On the other hand, online shops offer outdoor advertising. For example, Alza makes posters which are placed in the underground trains. The cost for a poster is approximately 45 thousand CZK per month.

Samsung uses printed advertising as a form of marketing communication as well. The brand cooperates with magazines which are interested in technologies. There is a magazine, which is oriented to home appliances. The magazine is called Sell and it is published monthly. The price related to the advertising is 10 thousand CZK, the articles about the products cost 40 thousand CZK.

The good example of below the line advertising which Samsung brand uses are POP<sup>5</sup> and POS<sup>6</sup> materials. They represent a sales promotion where the base is a cooperation with three basic segments – the brand or agency which creates the design for the brand, the retailer, and the end user. This communication is important for the store because its design can attract the potential customer.

These materials include stands and displays, decorations, small leaflets etc. Samsung brand widely uses stickers which are placed on the product. The stickers are usually minimalistic and explain the basic technology of the product. Sometimes instead of stickers there are used magnets which can be used several times. There are also stands and displays where Samsung products are arranged to get customer's attention. The budget for POP and POS materials is approximately 62 thousand CZK per quartal.

The next strategy is remarketing. Remarketing or retargeting is a tool related to advertising. The aim is to serve targeted ads to people who have already visited the website. In case of Samsung, the remarketing is related to online brand store. The java script tag places a cookie in the user's browser where they will see the banner of a product.

The main advantage is that visitors see Samsung product and can decide to make a purchase. As mentioned before, white goods do not belong among products which you would buy immediately. There comes the power of remarketing because the brand can get the potential customer's attention. On the other hand, there is an increase of ads where the

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<sup>&</sup>lt;sup>5</sup> Point of Purchase – marketing material placed next to the product

<sup>&</sup>lt;sup>6</sup> Point of Sale – interaction that occur when the sale of product happens

algorithm works as a tool to attract target customers. The price is around 8 to 10 thousand CZK per month in cooperation with brand store.

### 4.3.2 Digital and direct marketing

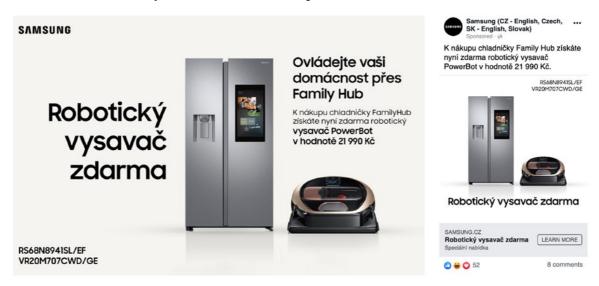
Online marketing and communication are the most powerful tools to attract wide range of customers. In today's world, the presence of the internet such as websites or social platforms make the marketing easier for many brands and companies. Without the usage of the internet, it is much more difficult to reach new customers and convince them to buy a product. The online and digital campaign are the key strategy for the brand.

The Samsung company has its own website where the brand is productive. The website is well arranged. Visitors can clearly see the company's product portfolio with specific details and classification of products on the top of the page. There is a possibility to choose a product and the purchase is directly moved to the brand store when the order is completed. On the cover of website, there are banners related to the newest products, special offers and sales.

The brand is focused on social media as well. It is an active user of Instagram and Facebook where products, information about technology and news from the company are placed almost every day to get people's attention. Most of the products which are promoted are mobile phones and smart watches. On the other hand, at this time the Family Hub fridge which is a part of smart home appliances is well promoted too. The followers are asked to participate on the content for the profile. For example, they can share their favourite recipes for cooking which are shared with other followers.

The direct marketing is mainly used in cooperation with online shops. The aim is to create a newsletter which is sent to the mailbox by the shop. For example, the brand chooses a product and shops such as Datart or Alza place it to their newsletter. The average price of the newsletter position is around 50 thousand CZK where three products are placed for a week. The size and number of products involve the final calculation. The brand usually can create a short description of the product and which technologies should be mentioned.

Picture 2: Family Hub banner + Facebook post



Source: Samsung brand data

During the beginning of 2020 Samsung Company made a banner which was related to the new smart side-by-side refrigerator called Family Hub. The banner was related to the sales promotion when customer had an offer to buy a fridge and get a robotic vacuum cleaner for free. The banner led to the official brand online shop which is the most important channel for sales. This kind of promotion gained 2 million impressions via banner which was placed on agreed website – for example Seznam.cz, and social media, especially Facebook. One third of viewers were unique users of the Samsung brand who are not interested in home appliances. The table below shows the insights of the campaign from January to February in 2020 which cost 100 thousand CZK for a month.

From the point of marketer's view, the campaign on social media was more successful than banner placed on different kind of websites. There were twice and a half more people who were interested in the post on social media. Around 5% of people clicked on the post on Facebook than the banner on the website, where it was only 1,5% of viewers.

Picture 3: QuickDrive Facebook post + Youtube video



Source: Samsung brand data

In case of washing machines, the campaign for QuickDrive model line was done by a short video, which was placed on YouTube. The topic of the video was related to the everyday life when people do not have enough time to prepare for going out. The video was complemented by a banner related to its topic. The title of the video and banner was called "Time plays for you." The main message of this campaign was to demonstrate that this washing machine can make laundry in half time than competitors on the market. The video was accompanied by jazz rhythm to make it more dynamic for viewers. The whole campaign cost 150 thousand CZK.

The whole video completed 85% viewers. This result demonstrates that people are more interested in video or animation than in the banner without any effect. On the other hand, people who use social media and saw the promotion have higher portion of impressions than people who only saw a banner. Around 6% of viewers clicked to get to the Samsung online shop where banner had only 2%.

#### 4.3.3 Personal selling

The marketing communication for retail is still important for customers because they want to see how the product looks like. The retail represents a sale of goods and services from a company to an end user. There is an importance of good marketing process in which retailers promote awareness and interest of the goods they offer in a store.

This kind of marketing communication is related to the shop assistants, who are important for retail. They are usually the only people who communicate with potential buyers and offer them the best products according to their view. The biggest problem of

this communication is that the recommendations are not related to the shop assistant's opinion but according to the amount of profit which he or they can earn. People are influenced by them even when the product does not fulfil their expectations.

The product by which the shop assistant gets the highest amount of the bonus to his salary plays a key role – if there are two products where one is with bonus in amount of 30 CZK and the other one around 250 CZK, they would prefer to sell the product with higher bonus to their salary. Many brands and manufacturers try to pay as much as they afford to get their product recommended by the shop with which their cooperate. The Samsung brand pays as well, but there must be a supervisor who would control if the shop assistant offers the chosen product. To avoid this problem, Samsung brand cooperate with promoters who help to the assistants with the way of selling Samsung white goods, especially during the weekend. The price of the promoter for the whole weekend is around 6 thousand CZK.

#### 4.3.4 Sales promotion

The next important tool for a marketing strategy is sales promotion. It is used by media and non-media marketing communication to increase sell out and attract customers by a benefit which they can get from the purchase. This marketing strategies comprise discounts, but they are mainly influenced by the shop which sell the products. The main strategy for this brand is discounts and cash back.

The marketing communication through online stores and retails, which are related to the sales promotion, is a plan for the whole year. There is a cooperation directly from Samsung brand or the shop offers a participation in their own promotional events. For example, during Black Friday or Cyber Monday promotion discounts are chosen for particular products. The main problem of discount is that many shops change prices before the purchase. The brand sets prices for the product which the shop agree with and under which it will be sold. There is a possibility of discount during the specific time and the shop should decrease price. Sometimes, Samsung brand cooperates with the shop during special sales events throughout a year. One of the most popular is Marianne Days. This shopping event, which is organised by a magazine for women, takes place in the half of Septembers and offers appliances with 20% to 30% discounts which can attract many customers. On the other hand, there can be a problem that the price before sale can go up and the potential buyer is confused or cheated.

Cashback is the deal where the customer makes a purchase and after he will get some money back. Samsung brand usually does cashback four times per year. One of the most successful is during the Valentine's day when the brand offers the cashback for the purchase of both, a washing machine, and a dryer. The amount of cashback can be 7 thousand CZK which can attract many customers. The only condition is to register on Samsung website and after they can get the money back. According to the brand's opinion, this kind of promotion is better because the product price is still the same in comparison with discount, where the product can lose its value. In general, people are interested in getting something extra as a gift.

In the year 2018, where the QuickDrive washing machine was launched, there was a new television with Qled premium picture. The brand decided to make a promotion called "One Q is not enough". The goal of this campaign was to sell the new products together and the customer had a possibility to get a voucher as a discount for the mentioned products. The customer, who bought the most premium television got this washing machine for a Czech crown.

#### 4.3.5 Public relations

Public relations are a kind of marketing communication which are not used only for a short run. It is not a form of advertising, but it leads to the relationship. The brand has to keep in touch with public space such as journalists, partners, media etc. The brand is focused on its own internal communication with employees as well who are the important part of the Samsung culture. For Samsung, the PR is made by Brand marketing division in cooperation with PR agency called Taktiq Communications, which Samsung has cooperated with since the end of 2019.

To create and continue with a successful brand image, there is a cooperation with journalists where Samsung managers offer interviews which are related to the Samsung news, innovations, and strategies to keep in touch with people. They are offering events such as launch of the new product or cooperation on technical fair trades. The influencers, as the future of marketing communication, are described in the chapter below.

Samsung brand is focused on the Corporate Social Responsibility when in the year 2019 there were two main events focused on this area. The first project is called Samsung "Your Chance" or in the past, Samsung Eagles. The aim is to cooperate with young people, especially high school students and fresh university students, who are interested in areas

such as marketing, financing, human resource management and other departments which are a part of the Samsung company. The students are chosen according to their skills and energy to cooperate. The nine of them are invited to the six workshops and two summer camps where they will learn about teamwork, how to write a curriculum vitae and gain skills in preferred field of study for the future. The other one is strongly related to the white goods. The brand participated in the project called "Without leftovers" under the auspices of National Food Bank in the Czech Republic. The aim was to place public refrigerators to the chosen community centres where people could share food.

#### 4.3.6 Influence marketing

Influence marketing is a new tool of marketing communication which is getting more popular, especially among young generation. The brand as big as Samsung keeps up with the innovations as well. There are many steps which should be achieved to create a successful campaign which can attract a lot of people. For many influencers a cooperation with Samsung is an exclusive opportunity to try a product in which they usually believe. The brand itself appreciates cooperation which lasts for a longer time. That is the reason why Samsung prefers fewer influencers who can cooperate at least for a year than a person who would cooperate once. The biggest budget for influence marketing is used for mobile phones as the most successful department of the company.

According to the department of finance which cooperates with influence marketing agencies, the brand closes a deal for a year when at least two posts per month are required on Instagram or Facebook social platform. The extra payment is related to special launch events where influencers can decide if they would like to participate or not, but sometimes these events are involved in the yearly contract. On the other hand, there is a possibility to promote a different kind of product than the influencer normally uses.

During September in 2019 there was a launch event for the new fridge which is called Family Hub. Journalists and some influencers were invited to see and try the product. The event was placed in Kavčí Hory apartments and was related to the smart fridge called Family Hub. The next launch events are related to the washing machines. The event is called "Samsung Kafe" and influencers can try the product and learn about the special technologies. The costs related to this kind of event is the rent of the room or building, catering, and participation of chosen influencer.

The costs related to the cooperation with influencers are yearly contracts, free of costs products and extra payment related to the posts or videos. Free of costs product means that the influencer gets a product for free and makes a post or video with it. As written before, the price of influencers is not directly defined because it is affected by other factors. For example, by the number of followers and how active the influencer is on social media. As expected, the most expensive cooperation is with a celebrity. The average price of the post on the influencer's profile is from 11 to 15 thousand CZK. However, the post made by more famous celebrities can cost from 40 to 80 thousand CZK. The short video costs from 15 to 50 thousand CZK. On the other hand, when the company cooperates with a non-profit organisation, the costs are lower. The main factors which form the price are related to work with the influencer.

#### 4.3.7 Television marketing communication

Televisions are the part of Consumer Electronics division under which belongs the Division of Home Appliances as well. Its marketing communication is compared to the home appliances strategy, there are several differences. The budget which is used for campaign is higher because people are more interested in this area than in white goods. The brand awareness of the television is more common than for white goods. On the other hand, it is easier to create a campaign based on smart home, because television has had Wi-Fi connection for more than 9 years.

The marketing communication is not as different as expected. The products are shared on social media, there is a cooperation with online shops and retails and special sale events as well. However, the digital campaign of the new TV called The Frame was more successful as a banner than as a post on social media. In total, there were 1,5 million of impressions where 60% of users saw the banner and only 40% of them saw the post of social media. On the other hand, people who saw the post on social media clicked on it more than on the banner.

# 4.4 Questionnaire

In the beginning of this diploma thesis the hypotheses were set as follows:

- Respondents tend to make an online purchase more than in retail
- The biggest advantage of online shopping is the possibility to compare prices with rivals more easily
- The biggest advantage of retail is the possibility to see and try the product
- The most frequently used shop is Alza online store
- For two years, people make a purchase of smart phones or small home appliances
- For customers, the most important factors which influence a purchase of white goods are price, quality, and reviews of the product
- Samsung company is well known as the manufacturer of smart phones and televisions more than of home appliances
- Respondents do not know that Samsung offers white goods

The first part of the questionnaire was related to online and retail purchase. According to the results, the representative sample prefers the combination of both, online and retail, which tends more to retail when they make a purchase of non-food products. In this case, the hypothesis was not fulfilled because the retail is preferred more. On the other hand, the most preferred shop is Alza, the online shop. In this result the hypothesis was approved.

For the representative sample, the biggest advantages of online shopping are price in comparison with rivals, saving of time and wide range of products. The disadvantages are perceived in no possibility to see and try the product, waiting for the delivery and high expenses related to the delivery service. During the purchase of retail, the biggest advantages are represented by the possibility to see and try the product, fast shopping and save on shipping. The most preferred disadvantages of retail shopping include queues and crowded shop, insufficient range of products and that shop can be far away.

The following hypothesis is related to the purchasing of product in general. The people were asked what they had bought in the last two years. The result was that they have bought smart phones or small home appliances than white goods. The product which was mostly purchased by the respondents is a mobile phone. The second position holds smart home appliances which shows that the hypothesis was accepted.

The next hypothesis was related to the purchase of white goods. The main factors which influence the choice of the fridge are quality and reliability, price, power consumption, technical specification, and internal size of a fridge. The choice of a washing machine is mostly influenced by quality and reliability, price, power consumption, technical specification and reviews. The hypothesis was fulfilled, but on the other hand review is not as popular as it was expected.

The last part of the questionnaire was related to the whole Samsung brand. The brand is well known as a smart phones manufacturer as it was expected in the hypothesis. On the other hand, the third place belongs to home appliances, which was not expected in the beginning of the thesis. Respondents know that Samsung offers refrigerators, but the do not know that the Samsung brand is related to washing machines as well. The most of hypotheses were approved.

## 4.5 Marketing Communication

Marketing communication of White goods is more difficult because people do not buy home appliances for the first impression. According to the product marketing employees, they usually change their washing machine once in 8,5 years and a refrigerator once in 9 years. The main reasons why to choose them are breakdown, renovations, moving out and long usage. The brand is focused on cooperation with online shops and retails which offers electrical supplies. However, the most important marketing is related to the brand store activities. The main target is to persuade people to visit the store where they would buy a product. The advertising of the company is focused on mass media and to attract the target group. The most important partner for sale is Alza which is the most popular among customers. There is a cooperation with a magazine which is interested in home appliances and it is published monthly. The table below shows the average price of costs involved in establishing campaigns.

**Table 5: Costs of advertising** 

Advertising	Partner	Period	Price CZK
Ads magazine	Magazine	A month	10 000
Article	Magazine	A month	40 000
Banner	Online + Social media	A month	100 000
Influencer's post	Social media	Once	10 000 - 40 000
Influencer's video	Social media	Once	15 000 - 50 000
Leaflet	Retail	A week	60 000
Newsletter	Online	A week	50 000
POS and POP	Retail	Quartal	62 000
Poster	Online	A month	45 000
Promoter	Retail	A weekend	6 000
Radio	Online / Retail	A week	30 000
Remarketing	Brand store	A month	10 000
Top position	Online	A month	20 000 - 30 000
TV spot	Online	Two weeks	300 000
Video	Online + Social media	A month	150 000

Source: Samsung internal data

The one of advertising strategies is a top position of the chosen product. This kind of advertising keeps the products among the top 3 or 5 products while the user is looking for the product's category. The next promotion, which is widely used by online shops, is a newsletter. The brand chooses the product and shops place it to their newsletter which is sent to the mailbox. The mass media, which are used for the communication are mainly in cooperation with online shops and retails. During the shopping weekend, the store is able to create a TV spot or radio campaign where Samsung products are mentioned.

For retail, there is an importance of POP and POS materials which are located in the area where the purchase decision is made. On the other hand, the purchase in retail is influenced by shop assistants who offer the product according to the amount of bonus which they can get to their salary. This kind of personal selling can destroy the fairness the purchase. However, the brand itself cooperates with promoter who helps with selling of Samsung white goods. The retails offer a position in their leaflets as well.

The brand is focused on social media and banners which are part of their digital marketing. During the beginning of 2020 Samsung Company made a banner which was related to the new refrigerator called Family Hub. The banner was related to the sales promotion when customer had an offer to buy a fridge get a robotic vacuum cleaner for free. This activity was related to the brand store. The post on Facebook was more successful than a banner on agreed websites – for example Seznam.cz. The campaign for

QuickDrive washing machine was done by a short video which was placed on YouTube. The video was completed by the banner related to its topic. The whole campaign was more successful than the campaign related to the refrigerator. The brand uses remarketing to

The sales promotion is an important tool to Samsung marketing communication. The marketing communication through online stores and retails is planned for the whole year. There is a cooperation directly from Samsung brand, where only Samsung product are discounted, or the shop offers a participation in their own promotional events. The main problem of discounts is that the shops can increase the price before the event. The most important is cashback. The brand believes that cashback is more interesting for the customers because the product does not lose its value. In general, people are interested in getting something extra as a gift.

The most problematic way of evaluation is influence marketing. It is the new tool of marketing communication which is more popular among young generation. Many influencers think that cooperation with Samsung is an exclusive opportunity to try a product in which they usually believe. The brand itself prefer the cooperation for the longer time with chosen influencers. The costs related to the influence marketing is not stable. The price is made according to the number of influencers, how active the influencer is on social media. The most expensive cooperation is with a celebrity.

### 5 Conclusion

This diploma thesis was focused on the marketing communication of white goods range of Samsung brand in the Czech Republic and customer shopping practice on the home appliances market. It has been assumed, that the Samsung brand is a strong leader on the refrigerators' market where it holds a top position in comparison with its rivals. On the other hand, washing machines are not as successful as refrigerators because of stronger competition. The brand believes that the smart home appliances are the future for its business and young generation will be more interested in it.

The first part of this research was related to a questionnaire. At the end of this thesis, the hypotheses were mostly accepted except two of them. The first one was related to the online purchasing. The hypothesis said that people are more interested in online purchasing than in retail. According to the representative sample, young people tend more to the retail which was not expected. On the other hand, the most preferred shop was Alza which expels the previous opinion. The other hypothesis which was not fulfilled was related to the brand awareness of white goods range. The young people know that Samsung brand offers white goods where fridges are more known than washing machines.

The marketing strategy includes various kinds of marketing communications which Samsung brand uses to attract customers. The most important part of the strategy is a cooperation with electrical supplies and to promote the brand store. The aim of the marketing is to find a customer who would buy a product in the brand store rather than in other shops. The reason is that the brand would like to be exclusive and persuade people to buy more products which are manufactured by the brand. The brand is active on social media where it would like to include white goods more often.

The most important products for the sale are QuickDrive washing machines and Family Hub refrigerators. Both are a part of smart home household. While the QuickDrive model communication is focused on half of the time washing, the Family Hub represents the source of multimedia with the small screen on the door and the cameras inside the fridge which can make the shopping much easier.

The recommendations for marketing communication improvement are related to new trends in marketing. As discussed, the main problem of the home appliances in general is a fact, that people do not buy them on the first impression but under important circumstances such as long usage, breakdown, redesign of the house or moving to the new house. However, the marketing communication is important to attract customers who would like to buy these kinds of products and to avoid a purchase in a different manufacturer.

The suggested improvement of the marketing communication is related to social media which is more popular for many brands because young generation use it on daily basis. There is a possibility to use social media to show white goods as well. Some brands use influencers for the marketing communication. The selected person takes a picture with the product, but it does not share the real message, especially for washing machines. The improvement for both, washing machines and refrigerators, are based on short Instagram videos called "stories" or as a post. In case of washing machines, the suggested influencers are related to the topic of fashion where they can show how they take care of their clothes. For a refrigerator, especially Family Hub smart fridge, the most suitable influencer is a person related to food or sport where he can make a video about healthy eating and demonstrate how they use the applications from the fridge. The costs related to social media videos are from 15 to 25 thousand CZK – it depends on how many followers they have.

The following recommendation is related to product placement. At this time, product placement is popular thanks to TV shows and movies, where the most popular or successful ones are watched by many people all around the world. The product placement could be good for a new smart fridge, which can be placed in cooking show. In the Czech Republic, there is a popular TV Show, which has origin in the United States. The show is called MasterChef Czechia, which is watched by 897 thousand people on private public channel called Nova (mediaguru.cz). The costs of passive product placement in an episode are approximately 100 thousand CZK.

The next improvement is related to online reviews. In the Czech Republic, there is a website called Heureka which works as a tool to compare prices among online shops and creates a scale of the most reliable products. Online users can write reviews there as well. However, there is a problem that not all the reviews are verified. Everyone who is registered can write a review on this website. On the other hand, there is a special logo near a nickname which shows a trusted owner who is verified as an end user of this product and has written a review according to their own impression. The Samsung brand would like to improve the strategy. The way of doing it is simple – people buy a product, register on the Samsung website and if they write a review within two months, they will

get a special gift. For example, if is it a washing machine, they will get a voucher for detergent, and if is it a refrigerator, they will get a voucher for a purchase in Košík or Rohlík, which both support local producers of food. The suggested amount of the voucher will be from 300 to 500 CZK.

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# 7 Appendix

## 7.1 Questionnaire

How do you usually shop? (non-food)

- Online
- Retail
- Both

What do you think the main advantages of shopping online are? (Max 3)

- Price in comparison with rivals
- Wide range of products
- Time saving
- Good price
- Detailed information about a product
- Comfortable delivery
- Others

What do you think the main disadvantages of shopping online are? (Max 3)

- No possibility to use the product before
- No possibility of specialist advice
- High expenses on the delivery
- Pick up points are far away
- Waiting for the product delivery
- Poorly arranged websites
- Others

What do you think the main advantages of retail shopping are? (Max 3)

- Option to see and try the product
- Consultation with specialist
- Additional service disposal etc.
- Fast shopping
- Save on shipping
- Others

What do you think the main disadvantages of retail shopping are? (Max 3)

- High prices
- Queues, crowded shop
- Insufficient range of products
- Shop assistants are not qualified enough
- Shop is far away
- Insufficient information about the product
- Others

In what shop do you usually buy new electronics and appliances?

Which product have you bought in last 2 years?

- Smart phone
- Smart watch
- Computer
- Television
- White goods

- Small home appliance
- Others

Do you have any experience with a purchase of home appliances?

- Yes
- No

What manufacturers of washing machines do you know?

What manufacturers of refrigerators do you know?

What is a brand of your washing machine at home?

What is a brand of your fridge at home?

Which factors influence your choice of a washing machine? (Max 5)

- Price
- Quality and reliability
- Technical specifications
- Power consumption
- Washing speed
- Reviews
- Brand, manufacturer
- Previous experience
- Easy to use
- Number of washing programmes
- Sale
- Design
- Others

Which factors influence your choice of a fridge? (Max 5)

- Price
- Quality and reliability
- Technical specifications
- Power consumption
- Reviews
- Brand, manufacturer
- Previous experience
- No Frost technology
- Sale
- Design
- Others

Do you have any experience with shopping of home appliances?

What type of Samsung product comes to your mind?

Do you own a Samsung product?

If yes, which one?

Did you know that Samsung offers home appliances?

#### Sex

- Male
- Female

#### Age

- 18-24
- 25-34

- 35-44
- 45-54
- 55-65
- 65 +

### Education

- Basic
- Vocational school
- High school
- University

### Number of household members

- 1
- 2
- 3
- 4
- 5+

#### Income

- Less than 15 000 CZK
- 15 001 20 000 CZK
- 20 001 30 000 CZK
- 30 001 40 000 CZK
- 40 001 50 000 CZK
- 50 001 CZK +

### Number of inhabitants in town

- Less than 499
- 500 4999
- 5000 19 999
- 20 000 99 999
- 100 000 +

# 7.2 Key products

Picture 4: QuickDrive model communication



Source: Samsung brand data

**Picture 5: Family Hub communication** 



Source: Samsung brand data