

**Czech University of Life Sciences
Prague**

**Faculty of Engineering
Department of Machinery Utilization**

**Marketing strategy
Diploma thesis**

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Department of Machinery Utilization

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DIPLOMA THESIS ASSIGNMENT

Erben Jiří

Thesis title

Marketing strategy

Objectives of thesis

The Target of the Diploma Thesis is to analyze the market environment and situation of selected company. The aim of is the identification and the detailed evaluation of the external and internal environment of the chosen company.

Methodology

The PEST and the SWOT analyses.

Outline of the structure

1. Introduction and aim of thesis
2. Literary overview
3. Methodology
4. Analysis of the present situation and company characteristic
5. Design changes in marketing strategy or company activities
6. Conclusion
7. Literature

The proposed extent of the thesis

50 to 60 pages of text

Keywords

Marketing, market, promotion, design of strategy

Recommended information sources

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Declaration

I hereby declare that I have elaborated this diploma thesis titled “Marketing strategy” independently, using only the sources mentioned in the Bibliography section.

Signature

Acknowledgement

I would like to thank Mr. Ing. Miroslav Mimra, MBA., Ph.D., for his valuable guidance and proposals that helped me with the elaboration of this diploma thesis. Also, I would like to thank the personnel of EL-PROM s. r. o., for their patience and help.

Summary: This diploma thesis focuses on analyzing the market situation of EL-PROM s. r. o., the company selected for this research. The aim of this thesis is to identify and give detailed evaluation of the external and internal environment of the chosen company. The firm's marketing mix was analyzed to gain knowledge about the internal environment. To analyze the external environment of the company the PEST analysis was used. Based on the gained knowledge a SWOT analysis was set up and based on the results of the SWOT analysis a marketing strategy was suggested. To help to improve the firm's promotion strategy the author produced a questionnaire that was targeted on the business sector, particularly the construction services companies.

Key words: Marketing, market, promotion, design of strategy

Abstrakt: Tato diplomová práce je zaměřená na analyzování současné situace společnosti EL-PROM s. r. o. Cílem této práce je identifikovat interní a externí prostředí vybrané společnosti a tyto prostředí detailně analyzovat. Interní prostředí zvolené firmy bylo analyzováno pomocí analýzy marketingového mixu. Pro analýzu vnějšího prostředí byla použita marketingová metoda PEST analýza. Na základě získaných informací byla provedena analýza SWOT a na základě této analýzy byla navrhnutá marketingová strategie pro zvolenou firmu. Cílem bylo vylepšit propagační strategii firmy, a k tomuto účelu byl vytvořen dotazník zaměřený na stavební společnosti.

Klíčová slova: Marketing, trh, propagace, návrh strategie

List of abbreviations:

a. s. – Stock company

CR – Czech Republic

CZK – Czech crown

Fig. – Figure

s. r. o. – Firm with limited liabilities

PEST – Political, environmental, social, technological

SWOT – Strengths, weaknesses, opportunities, threats

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1. Introduction

This Diploma thesis is aimed at EL-PROM s. r. o. company, which operates in the field of electrical installations. This work will analyze the current situation of the company, and by elaborating PEST and SWOT analysis it will produce the internal and external factors that are affecting the firm.

The first section of this Diploma thesis is devoted to the literary overview of the marketing generally. It includes the definition of marketing, different marketing management concepts, description of the 7 P's of the marketing mix, information about services and service quality. The first section was created based on the economical literature that is listed in the bibliography part of this Diploma thesis. The second section is devoted to the methodology where there is a list and descriptions of the used methods, as well as the information about data collection. The analysis of the current situation and the internal analysis take place in the third part of the thesis. This part will help the author to understand the internal environment of the company and to determine strengths and weaknesses within the firm. The analysis of the marketing mix takes place in this part of the thesis.

The next part is devoted to the PEST analysis which investigates the external environment and the opportunities and threats that the company faces. The abbreviation PEST stands for Political, Economical, Social, and Technological factors. The information gained from the internal analysis and the PEST analysis, are summarized in the SWOT analysis. The SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis combines the data to determine the important internal and external factors. The outcome of the analysis is the optimal strategy for the firm.

The final part of the thesis is devoted to the improvement of the promotion of the company, which should help to attract new clients from the field of construction services.

2. Hypothesis and objectives

2.1. Hypothesis

This research paper should help EL-PROM s. r. o. to gain more job opportunities and long term clients and generally help the company to analyze the strengths, weaknesses, opportunities and threats that the company faces. To achieve that, marketing method PEST and SWOT analysis will be used. As another tool a questionnaire will be used to collect data from potential long term clients from the field of construction services. By analyzing the mentioned data, this work should serve as a base for improvements in the firm's marketing understanding and actions. The improvements should lead to gaining more clients and customers for the company's services.

2.2. Objectives

The main objective of this Diploma thesis is to analyze the current situation of EL-PROM s. r. o., by analyzing the internal and external environment of the company. Based on the gained knowledge about the internal and external environment of the company the PEST and SWOT analysis will be elaborated. The SWOT analysis will produce the company's strengths, weaknesses, opportunities and threats which it faces. This knowledge should serve to the firm's top management as a base for future improvements.

Another objective is to help the firm to gain more clients from the field of construction services. The firm's top management has stated that there is available capacity for gaining more projects. To achieve that, this Diploma thesis will suggest an improvement in the promotion of the company, based on the knowledge gained from the questionnaire.

3. Literary overview

3.1. Marketing

Nowadays marketing is everywhere around us. Every day we can see advertisements in television, newspaper, internet, and so on. That is why many people think of marketing as an advertising and selling tool for big companies. Marketing is not only advertising and it is surely not a toll only for big companies. Every organization-domestic, global, non-profit, for-profit, large or small, uses marketing to be competitive and successful on the market. To be successful on the market, right marketing strategy must be applied. Marketing is firstly about customers, to satisfy their needs and desires. So it is important to find these needs and desires understand them and then produce goods or services to satisfy those needs. (1)

There are many definitions of the term marketing:

“Marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others.” (2)

"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large." (3)

Marketing management

“Marketing (management) is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services, to create exchanges that satisfy individual and organizational objectives” (1)

Marketing management occurs across the whole organization, it consists of tasks and people dealing with customer market, which means everything that is involved in the concept of final product. (4)

3.2. Needs, wants and demands

People must satisfy their basic biological and physiological needs - they must breathe, eat, drink and so on. Also people require self improvement, belongingness and love. Different people prefer different brands and versions of services and goods. Needs and wants are determined before products are developed. This is very important because a company does not want to develop a product which nobody desires for. (2)

Needs

A human need is a state of felt destitution of some basic satisfaction. Human needs are best described by Maslow's hierarchy of needs. It was developed by Abraham Maslow in the 1950's in the United States, the original five-stage model of hierarchy of needs includes: biological and physiological needs, safety needs, belongingness and love needs, esteem needs, and self-actualization. (5)



Fig. 1: Maslow's hierarchy of needs (self elaboration, source (5))

Wants

Wants are desires for specific products that will satisfy deeper needs. Wants of individuals vary due to their preferences, social influence and so on. People on different places on the planet have varied wants because their sources differ. Human desires might be infinite but still they should satisfy basic needs. (4)

Demands

Demands are wants for specific products backed up by an ability and willingness to buy them. Demand states the quantity of a product or service which is desired by consumers at various prices. The demand curve shows how quantity of demand changes with changing price. With the rising price the demand is decreasing. It is called the Law of Demand. (2)

3.3. Markets

For a long time the term market was for a long time understood as a place where buyers and sellers meet to exchange their goods and/or services. Nowadays people do not always go to such places to buy or sell the products. The term market can be used for identifying specific customers groups, for example geographic market (Czech market). Markets generally depend on sellers and buyers, but the market is affected also by governmental influence. (4)

There are five basic kinds of markets: Resource markets, manufacturer markets, middlemen markets, consumer markets, and governmental markets.

3.4. Marketing management philosophies

The production concept

The production concept is one of the oldest philosophies that sellers use. This concept assumes that customers are interested in low cost product which is widely available.

The suppliers concentrate on achieving high production efficiency and wide distribution coverage. The production concept can be found also in service organizations, when handling many cases there is not enough time to spend which each individual case. That could result in poor service quality. For these services is important to handle as many cases in a given time period as possible. (1)

The product concept

The product concept focuses on the product. This concept assumes that customers prefer products with most quality or performance. The product must be continuously improved. The product concept must still first focus on the basic needs

and not only on the product itself. Because satisfying a need is the first goal which a product should accomplish.

The selling concept

This concept assumes that customers will not buy as many products as if they were affected by companies' selling and promotion effort. This concept is used by companies whose aim is to sell their products rather than inventing a new product which is required by the market. This concept is most aggressively practiced with unsought goods such as encyclopedias, insurance, etc. For this concept the company must put much effort into promotion and selling techniques.

The marketing concept

The aim of the marketing concept is to determine consumers' needs and wants, and satisfy them in a better way than competitors do. (4)

In this concept the aim is to satisfy the customer and his needs. The marketing concept coordinates all the activities that will affect customer and it produces profit through creating customer satisfaction. There are four main pillar of the marketing concept: (1)

- Market focus
- Customer orientation
- Coordinated marketing
- Profitability

The societal marketing concept

This concept concerns not only about satisfying customers but also about long-run interests of societies and consumers. This concept should balance three considerations: (1)

- Company profits
- Consumer wants and needs
- Public interest

Nowadays we hear about environmental problems, resource shortage, world hunger and poverty and the societal marketing concept includes these problems in a company decision making.

3.5. Marketing mix

Marketing mix helps a company to be successful on the market. Each firm should set up their marketing mix carefully and with orientation on customer. A company must try to develop a product that will satisfy the customers and provide the product or service at a price the customers are willing to pay. A company must be able to deliver this product or service at the right place and the product must also be well promoted so the customers are aware of the given product or service. A well prepared marketing mix ensures that all of these aspects were taken into consideration and necessary steps were taken to accomplish them. Appropriate marketing mix varies with the specific markets. The marketing mix ensures that customers' needs and wants will be satisfied. (4), (5), (6)

Marketing mix is a set of these four elements (The four P's of marketing):

- Product
- Price
- Place
- Promotion

To fit the market of services three more P's were added:

- People: Anyone who comes into contact with a customer will leave an impression. The employer must train the people appropriately to leave a good impression on the customer.
- Process: Process is one of the elements of marketing mix that is frequently overlooked. The process of getting the service should be fluent and supported by relevant information for the customers.
- Physical evidence: Because service cannot be experienced until it is delivered, consumer takes a risk when choosing a service. Physical evidence should help the customer to see what they are buying.



Fig. 2: The 7 P's of marketing mix (self elaboration, source: (7))

3.5.1. Product

A product is a tangible good, an idea, or a service. A product is a satisfier of customer is need or want. (5)

“A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.” (4)

A product or service is developed to satisfy consumer's need which means that product should be defined not from the supplier's side but from the buyer's point of view. A product is made of a number of components that participate on satisfying the customer. These components are for example packaging of a product, warranty, guarantee, name of the product and name of the company that produces it. The finished product is a mixture of all of these components.

Classification of products

Products are divided into two main categories by a type of customer likely to buy them.

- Consumer products are purchased for personal use. Consumer products farther divide into three categories: convenience goods, shopping goods and specialty goods. Depending on the situation one product may fit all three categories.

- Industrial products are products which are marketed to organizations for commercial use. There are six categories of industrial products: installations, equipment, raw materials, processed materials, supplies, components. (8)

Products can also be classified according to durability and tangibility into three groups:

- Nondurable goods are tangible goods which are normally consumed very quickly and purchased frequently.
- Durable goods are tangible goods that are used longer. For durable goods, guarantee, high-quality and personal approach from the sales representative and great service are the most important features.
- Services are characterized as intangible, inseparable, variable products.

Marketers need to think about a product on three levels. The core product presents what the buyer really needs. It is the most basic solution to the customer's needs and wants. (4)

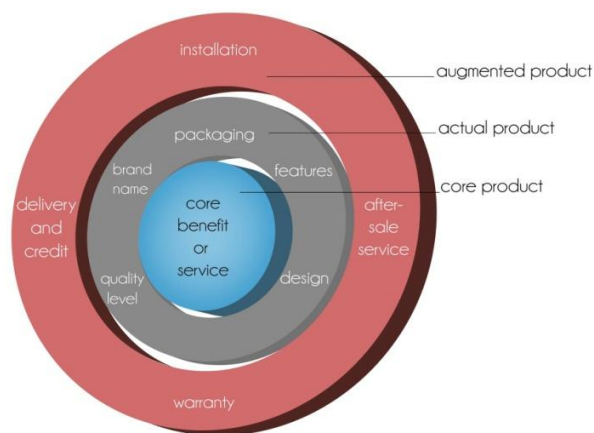


Fig. 3: Three levels of product (self elaboration, source: (4))

On the second level there is an actual product. As it is obvious on the figure below the actual product level is around the core product and it has five characteristics: features, quality level, brand name, packaging and design.

An augmented product has its position around both the core level and the actual product level. An augmented product level is made by offering additional service and benefits to the consumer.

3.5.2. Price

Price is the amount of money charged for a product or service that the consumers exchange for the benefits of having or using the product or service.

Price is a very important element of the marketing mix, because many people decide which product to buy based on its price. Price, unlike the other elements in the marketing mix, represents earnings for the seller, and it is also the most flexible part. Still, pricing and price competition is a big problem for marketers.

Price setting of prices is affected by many factors which are listed below. (4)

Internal factors

The first internal factor is marketing objectives, which the company should set before inventing a product. If the marketing objectives are set carefully setting the price will be much easier than setting the price without any objectives. Examples of common objectives are- market-share leadership, current profit maximization, survival and product-quality leadership.

Marketing-mix strategy means that the price must be coordinated with all other elements of the marketing mix. The price changes due to the other aspects of the marketing mix, but often the price is set firstly. This process is called target costing. Target costing sets firstly the price and other elements of the marketing mix depending on the final price. Target marketing reverses the usual process of pricing.

The price must be set to cover the costs. Costs set the bottom line for the price that can be charged for the company's product. Costs are divided into two groups- fixed costs and variable costs. Fixed costs do not change with production or sales level. Variable costs vary with the production level. The total cost is the sum of fixed and variable costs, and it sets up the minimum price that can be charged for the product. Company must cover all of its costs to avoid losses.

Organizational considerations- management must decide who within the company will set prices. It could be the top management, marketing or sales management. Who decides about the price is affected by the size of a company, which market it operates on and so on. (4)

External factors

The market and demand set the upper limit of the prices. Marketers must understand the relationship between price and demand for its product.

- Pricing in different types of markets. There are four types of markets: Pure competition, monopolistic competition, oligopolistic competition, pure monopoly.
- Consumer's perceptions on price and value. Marketer must set effective pricing for consumer. Consumer decides how much he is willing to spend on a product.
- Analyzing the price-demand relationship. There will be a different demand when the price changes. Usually demand and price are inversely related which means the higher the price, the lower the demand.
- Price elasticity of demand. There are two possibilities: demand can be inelastic or elastic. Inelastic demand does not change much with a small change in price. Elastic demand changes greatly with even small changes in price.
- Competitors' costs, prices and offers. While setting a price every marketer must consider its competitors. Should competitors set their price and margin too high there is a good chance for competitors with lower prices to enter a market.
- Other external factors are: economic conditions, resellers, government or social concerns. (1)

3.5.3. Place

Place is a location where the product or service can be purchased. To choose the right place it is important to understand the product a company is offering and the customers it wants to attract. Not every product can be offered on every place. Companies must also decide how to get the product to the chosen place. It is also referred to as the distribution channel. (1)

The distribution channel affects all the other elements in the marketing mix. Distribution channel decisions often involve long-term cooperation with other firms.

Distribution channel flows and functions:

- **Information:** The collection and dissemination of information gained from marketing research. Information about competitors, customers and others.
- **Negotiation:** Negotiation about price and other terms to reach final agreement
- **Promotion:** development and spreading of convincing information about the offer designed to attract customer.
- **Ordering:** Based on new orders placed from the customers.
- **Financing:** Costs of distribution.
- **Risk taking:** Risks connected with the channel work
- **Physical possession:** The gradual storage and movement of products from raw materials to the final customers.
- **Payment:** Buyers paying to sellers.
- **Title:** Transfer of ownership. (1)

3.5.4. Promotion

If companies want to be successful on market they must communicate with their customers. A modern company should communicate not only with customers but also with its intermediaries and various publics. Consumers communicate with each other and with other publics and meanwhile each group provides feedback to other groups.

Promotion mix is a set of tools that company uses to pursue its advertising and marketing objectives. There are four promotion tools in the promotion mix: (2)

- **Personal selling:** Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.
- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
- **Public relations:** Building good relations with the company's various publics by obtaining favorable publicity.
- **Mouth to mouth:** People share and distribute the information and their experiences with a product.

- **Interactive marketing:** online activities and programs to attract customers.
- **Direct marketing:** The use of a telephone, internet, mail, etc., to start a dialog with customers.
- **Events and experiences:** Activities organized by the company to attract and to interact with the customers. (sport or cultural events, etc.)

Major steps in developing marketing communication

- Identifying the target audience
- Determining the response sought
- Choosing a message
- Choosing media – personal and non-personal communication channels
- Collecting feedback

3.6. Marketing of services

Services nowadays have a major part on the market. This diploma thesis provides a marketing strategy for a company which also operates on the service market. This chapter will describe the marketing of services in general.

Definition of a service

“A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.” (4)

“Services are essentially intangible. Although the consumption of services may also include physical products (auto repair service can include parts as well as labor), the service that is bought involves providing certain customer benefits and not the transfer of ownership of a good.” (9)

3.6.1. Characteristics

The service component of an offer can be minor or major. The offer can range from a pure good to a pure service. There are four categories of an offer which can be distinguished.

1. A pure tangible good: The offer to the market consists only of a pure product. It is not accompanied by any service to the customer.
2. A tangible good with accompanying service: The offer consists of a tangible good which is supported by one or more services to satisfy the consumers. For example warranty, service and maintenance instructions, and so on.
3. A major service with accompanying minor goods or services.
4. A pure service: The consumer gets only intangible service without any physical object. (4)

Some sources include a hybrid as a fifth category. A hybrid consists of half service and half tangible goods.

Special service characteristics:

1. Service perishability- services cannot be stored. Perishability of services is a problem when demand for them fluctuates, because a service company has got some capacity and when the demand is higher than the capacity the company is losing the opportunity to serve the customer. There exists some strategies how to influence the demand and capacity, for example it can be differential pricing, complementary services, reservation systems, part-time employees, and others. (9)
2. Service intangibility- services cannot be felt or seen before they are bought. The consumers take the risk when purchasing a service. To reduce a risk consumers try to find as many clues as possible. To help the consumer companies should try to put physical evidence to their intangible offers. There are some tools with mentioned examples which can be used to “materialize” the offer:
 - Place- Neatly looking office
 - People- well trained and educated employees
 - Equipment- computers, machinery
 - Communication material- web site

- Symbols- names and symbols of products
 - Price- simple and clear pricing system
3. Service inseparability- services cannot be separated from their providers. Also the customers can affect the final outcome of a service. When providing a service it is important who provides the service. Different companies may provide different quality of service, even different people in one company may submit variant level of performance. (1)
 4. Service variability- the quality of services vary depending on who provides them, when, where and how they are provided. Customers are aware of this variability and before choosing a provider they should do some kind of research about the quality of services provided by the companies. To ensure the consumers about the quality of a service a provider should control the quality of provided service. (4)

3.6.2. Service quality

Service quality is a crucial factor in service marketing. Consumers expect quality on the basis of past experience, market communications, word of mouth and their needs. If these quality expectations are fulfilled and the experienced quality matches with them it can be said that the company produced a quality service. (6)

Because of the intangibility of services perceptions play a greater role in assessing quality than they do with tangible goods. Quality of services is mostly about how customers perceive the specific services. The basis of service quality and customer satisfaction is customer's expectations. (2)

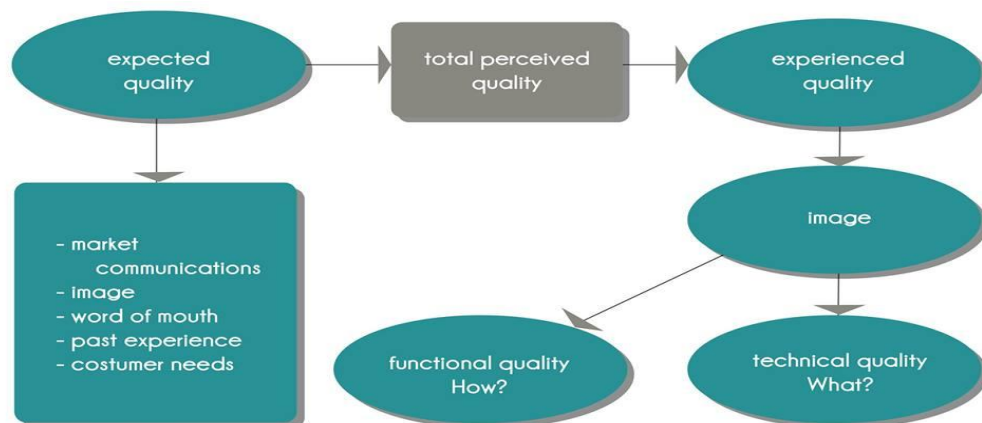


Fig. 4: A model of perceived quality (self elaboration, source: (9))

Service companies can take three steps toward quality control. The first step is to hire the right person to do the job and to invest in his training and education. Also motivation of the employees is very important because well motivated personnel will more likely do the job properly.

The second step is standardizing the service-performance process as much as possible. By doing so there is less space for making mistakes.

Third step is monitoring customers' satisfaction to detect a poor service. Because when a poor service is not detected it cannot be corrected. This can be done by suggestion and complaint systems, customer surveys and other tools. (1)

3.6.3. Gaps in perceptions of quality

There will always be some disparities between the expectations of service quality and the experienced quality itself. As it is in the real world the negative experience with a service spreads more quickly and does more damage than positive experience. Consumers will more likely talk about their bad experiences with service than they would about good ones. This psychological phenomenon is called Loss Aversion. A negative experience takes place when expectations of service quality were higher than the actual experienced quality.

Five general types of gaps:

1. The gap between customers' expectations and management perceptions. Management does not completely understand the customers' expectations.
2. The gap between management's perceptions and service quality specifications. When management has a problem with applying the knowledge about customers' expectations to the service operation.
3. The gap between service quality specifications and service delivery. This occurs when the personnel is poorly educated or motivated.
4. The gap between service delivery and external communications. This gap takes place when the company has failed to follow its statement.
5. The gap between perception of service and expectations of service. This occurs when the customer misunderstood the quality of service. (2)

3.6.4. Measuring service quality

There exist many tools to measure physical goods', however quality but services cannot be measured with these tools. As it was said service quality depends on consumers' expectations and how the expectations meet the experienced quality. Customers will only be satisfied when they get what they want, when they want it, how they want it and where they want it. Expectations of each customer may vary, so the management should focus on the target customers in order to identify what they want. The service must be clearly specified so the customers know what they are getting. (9)

The dimensions of service

- Reliability - the ability to perform service accurately and dependably.
- Responsiveness - the ability of the service provider to respond to the consumers needs on timely basis.
- Assurance - employees' knowledge and the confidence they provide.
- Empathy - the level of attention given to the customers.
- Tangibles - such as facilities, price and so on. (2)

4. Methodology

4.1. Primary data collection

For the practical part of this diploma thesis a questionnaire was used to help the author to improve the firm's promotion and distribution strategy. This questionnaire was targeted on the companies operating in the construction service market in Prague as that is where the company's directors see the best possibility to get new clients. The questionnaire was supposed to help the author to understand how the companies search for a supplier of electrical installation services and what information they use to select the suitable firm. Based on the gained information a proposition of the improvements in promotion and distribution was set up.

The electronic questionnaire was selected as a form of the questionnaire due to the zero costs and low time consumption for all parties involved. The questions were selected based on the information gained from the top management of the company. At the beginning there are a few closed questions that diversify the responders. The rest of the questions are the wider range questions that show what is important for the construction companies when they choose their supplier of electrical installations.

4.2. Secondary data collection

For the theoretical part of this Diploma thesis the external information listed in the chapter 12 were used. As a source for the theoretical part mostly specialized marketing literature was used.

The external information for the practical part (PEST, SWOT) were collected from the official internet websites of institutions such as the Czech National Bank, the Czech Statistics Office, the Ministry of Labor and Social Affairs, the Ministry of Finance.

The author got all the internal documentation and information with the permission from EL-PROM s.r.o., which is the company this diploma thesis investigates. The internal documents were used as the information source for the internal analysis and the SWOT analysis. The knowledge and experiences of the personnel of the firm are also used as a data source for this Diploma thesis. This data

helped the author to understand the processes in the firm and helped to analyze the threats and weaknesses inside of the company.

4.3. PEST analysis

The acronym PEST stands for Political, Economic, Social, and Technical. The PEST analysis is a strategic tool which is used for understanding the market environment in relation to company business situation. (10)

The PEST analysis helps the organization to define political, economical, social, and technical factors that could affect the company's activities and performance in long-term view. This analysis is often used in collaboration with the SWOT analysis which is described in the next chapter. Before doing the PEST analysis it is important to understand its components.

Political

The political decisions and regulations have a great influence on the evolution of the business environment. This factor of the PEST analysis takes into consideration governmental actions in the business sector as well as the political stability of the whole country and its partners from foreign countries. It is important to evaluate factors such as the tax regulations, employment laws and restrictions, political stability, safety regulations and so on.

Economic

The economic factor takes into consideration the situation of the actual and future situation in the market environment. It is supposed to cover all the economic aspects that affect the market such as the growth/decrease of the gross domestic product, inflation, unemployment rate and policies, currency rates and others.

Social

The social factor allows a company to analyze the socio-economic environment of the company's market by determining elements such as cultural limitations, customer demographics, education, lifestyle attitude, etc. The social factor helps to define and better understand consumers' needs and their purchasing behavior. It is important for a business it is important to understand the customers and this element of the PEST analysis contributes to the knowledge about the customer.

Technological

The technological factor consists of any technology which could affect the market a company operates in. In business the companies must deal with production, distribution, communication and so on, and all of these processes use technology. To stay competitive and successful in the market environment it is important to follow the technological development and trends. This factor includes among other things - the life cycle of current technology, governmental spending on technological research or the role of the internet.

4.4.SWOT analysis

The acronym SWOT stands for Strengths, Weaknesses, Opportunities and Threats. The SWOT analysis is a practical strategic tool which is helpful for determining above mentioned factors in any firm.

The basic principle of SWOT analysis is the identification of strengths and weaknesses that come from the inside of a company, and helps to understand opportunities and threats that the company faces from the external market environment. The outcome of this analysis should be a strategy which uses the strengths and opportunities to override or eliminate the weaknesses and threats. (11)

Strengths

Strengths are the positive internal factors of a company. These factors can be tangible and intangible and they are under the control of the organization itself. The strengths are basically those things that the company does well in comparison with its competitors. Also strengths can be positive attributes of employees or tangible assets of the company. In conclusion strengths are the things that make the company better than its competitors.

Weaknesses

Weaknesses are the negative internal factors of a company. Weaknesses generally place the organization at a competitive disadvantage. To be more successful and competitive it is important to locate and enhance these weaknesses. Weaknesses are an internal factor which the company can affect, such as like limited resources, poorly educated personnel, poor condition of equipment and so on.

Opportunities

Opportunities are the positive external factors that represent reasons for which a business is likely to prosper. Positive factors in economical environment could be - the perception of the business rises, or that a strong competitor leaves the market, or the supplies needed for business will cost less. The opportunities are out of the control of a company. Company can only use these opportunities for making progress, but these opportunities must be firstly well determined.

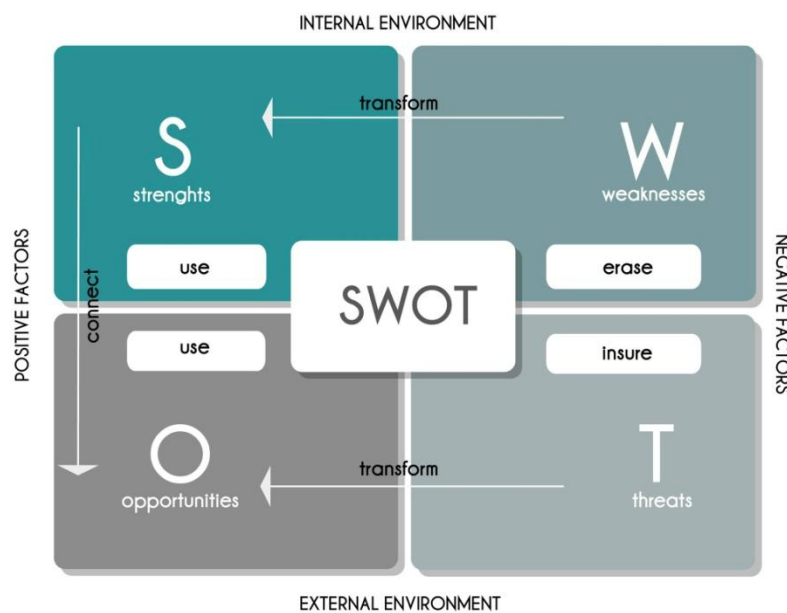


Fig. 5: SWOT analysis (self elaboration, source: (11))

Threats

Threats are negative external factors beyond the firm's control which could threaten the firm's strategies. Companies do not have any control over these threats, but they can use the knowledge about them to turn them into opportunities. These threats consist for example of new competitors entering the market, governmental regulations, prices of supplies, shift in customers' behavior. The threats are mostly not obvious and the management must try to predict them as closely as possible to be able to use them for the company's benefit.

5. Actual research and Results

5.1. Description of the company

In this chapter EL-PROM s. r. o. will be introduced, and the current situation in the company will be described.

EL-PROM s. r. o. was founded in 1991, by Mr. Jiří Erben and Mr. Jiří Polidar who still stand in leadership of the company. The company specializes in projecting, installation, and revision services in the field of electrical systems and installations. The firm characterizes itself as a financially stable company with long time experiences, with the ability to execute large projects. The founders of the company always care about the good name of the firm and they are well aware of the importance of quality over quantity. On their web pages it is stated that the philosophy of the firm is not to become a large company, but to stabilize a functioning company which will keep its good name and quality. As an example of their accomplishments electrical installations in the National Theatre, Beroun Hospital and many others could be named. (12)

5.1.1. General specialization

EL-PROM s. r. o. generally specializes in planning, installations, and revisions of electrical systems in residential and industrial buildings. The main specialization of the company is in:

- power supply of both low and high voltage
- realization of medical centers, theatres, residential houses
- installations of manufactories and warehouses
- power saving systems
- intelligent systems installations

5.1.2. Structure of the company and logo of the company



Fig. 6: The logo of EL-PROM s. r. o. (source: (13))

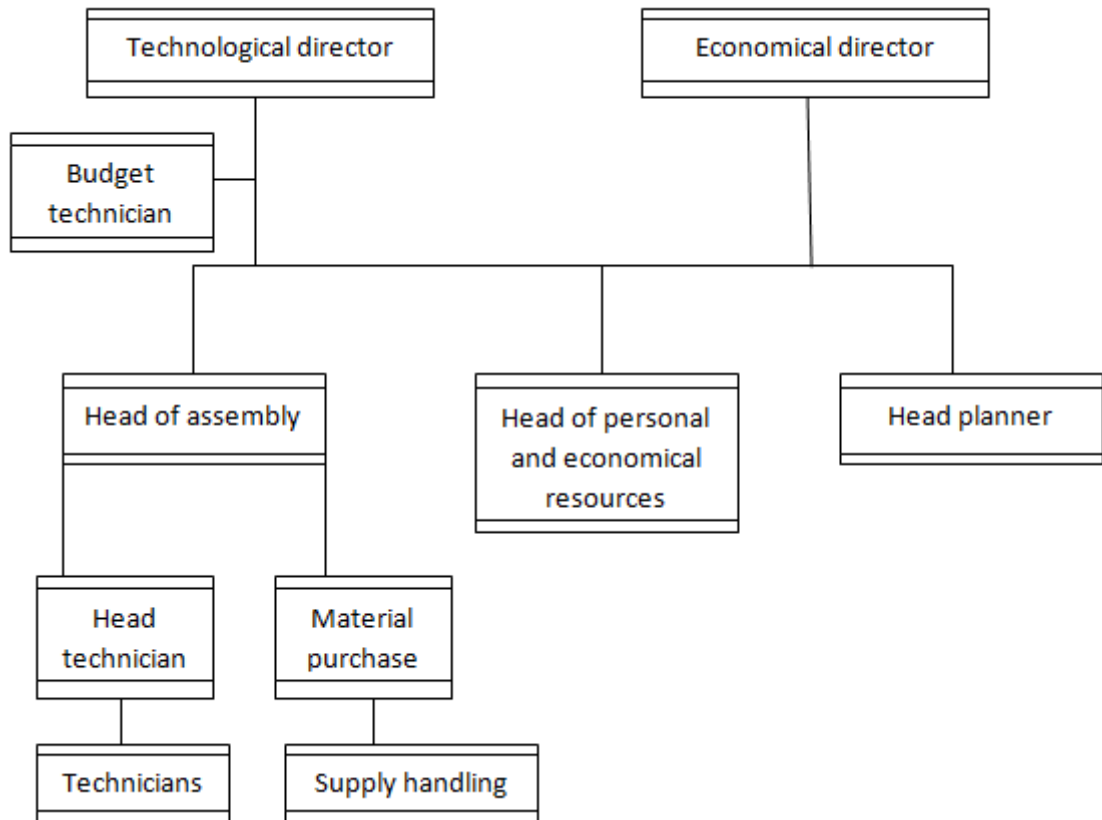


Fig. 7: The structure of the company (self elaboration)

The structure of the company and the responsibilities of each employee will be described in the analysis of marketing mix.

5.1.3. Main past projects

There is a list and short description of the main past projects of EL-PROM s. r. o. (13) in this chapter.

- LATECOERE the Czech Republic is a company which is the successor of the original company Letov which is the oldest aircraft producer in the Czech Republic. EL-PROM s. r. o. was hired to realize the electrical

installation of the production hall in Prague Letňany. In this production hall many aircraft components are made. The production hall contains various production lines and all of them are connected to the electricity. This project started in 2004.

- Beroun Hospital – This project started in 2010 and it still is an ongoing project. EL-PROM s. r. o. is responsible for the electrical installation of the whole hospital in Beroun city. Here is the list of the main tasks of this project: high voltage distributor installation, assembly of transformer 630 kilo volt ampere, connection of magnetic resonance, assembly of surgery rooms connections of all hospital systems etc.
- Hořovice Hospital - This project started in 2006 and it is still an ongoing project. EL-PROM s. r. o. is responsible for the electrical installation of the whole hospital in Hořovice. Here is the list of the main tasks of this project: reconstruction of switchboards of low voltage, assembly and connection of diesel aggregate backup source, entire electric installation of the hospital, surgery rooms, lightning contractors.
- O₂ Arena - Cooperation with many subcontractors of technologies. The multifunctional arena was built to host the world championship in hockey in 2004. This great project was really complicated because of the changes in planning, and indispensable cooperation between the subcontractors.
- ZOELLER Říčany - The firm Zoeller specializes in production of waste collection systems for trucks. Their production hall is in Říčany city in the Central Bohemia. The entire electrical installation of the production hall was done by EL-PROM s. r. o.

EL-PROM s. r. o. is responsible for servicing, maintenance and revisions in all buildings where it had installed the electrical systems. (12)

5.2. Market specification

The need for electrical power can be stated as a basic need for the consumers. The consumers need electrical installation in their homes, production centers, offices, shops etc. to have access to electrical power. Nobody can just connect to the main electrical circuit from the street, not only is in illegal and highly dangerous, but also nobody would guarantee the quality and functionality of such a connection.

The need for electrical power grows; every new building needs electrical installation, and many older buildings need a reconstruction of the existing electrical installation. The need for electrical power can be stated as never ending.

Most customers of EL-PROM s. r. o. are construction companies, or long term partners from the field, of health care, entertainment and others. This cooperation is very lucrative due to the fact that every new building needs electrical installation. When developers look for project supplier, the tender is given for execution of the whole project including electric installation.

EL-PROM s. r. o., operates in the Czech Republic (highlights of the CR are listed in table 1); its headquarters is located in Prague which is the capital city of the Czech Republic. Prague is one of the fourteen regions in the country, and it is the second most populated one (table 2). Most of the orders come from Prague and Central Bohemian region which is the most populated region in the Czech Republic. This location gives the company great opportunities and not only because it is located in the center of the two most populated regions, but also because many construction companies have their headquarters located in this area.

Table 1: Highlights of the Czech Republic in 2014 (self elaboration source: (14))

	Amount	Units
Population	10 538 275	-
Gross domestic product	3883,7	billion CZK
Inflation average 2014	0,4	%
Gross average wage	25219	CZK
Unemployment	5,7	%

Table 2: Regions of the Czech Republic and their highlights
(self elaboration, source: (14))

Region	Population	Average wage (CZK)	Unemployment
Capital city Prague	1 252 202	32 910	5,08%
Jihočeský kraj	637 143	22 591	6,67%
Jihomoravský kraj	1 171 158	24 329	8,42%
Karlovarský kraj	299 445	21 553	8,43%
Kraj Vysočina	510 099	22 706	7,60%
Královéhradecký kraj	551 689	22 842	6,45%
Liberecký kraj	438 767	23 163	7,77%
Moravskoslezský kraj	1 218 732	22 964	9,96%
Olomoucký kraj	636 015	22 284	9,20%
Pardubický kraj	516 315	22 193	6,53%
Plzeňský kraj	574 688	24 008	5,90%
Central Bohemia	1 312 481	25 117	6,52%
Ústecký kraj	824 160	22 593	10,89%
Zlínský kraj	585 583	22 137	7,57%

5.2.1. Cooperation

As it was said, the company is oriented towards assembly of industrial buildings. It is important for a small company to have construction companies as client in this field. EL-PROM s. r. o. has a number of construction companies that provide job opportunities to the firm. As the most important clients the director of El-Prom named the following: (12)

- NH Hospital: Is a company that operates the hospital in Hořovice. The cooperation with this firm started in 2007. The subscriber was satisfied and he offered the firm another job at Beroun hospital. This cooperation is nowadays the most important one because other than the installation itself, the firm does all the maintenance services and revisions in both the hospitals. (15)
- Jessenia, a. s.: Is the operator of the Beroun hospital. The company has the same owner as NH Hospital. This cooperation is a result of a satisfied client who wants to keep EL-PROM s. r. o. as a main supplier of electrical installations and revisions.

- EKOS Praha, a.s.: Is a construction company which specializes in construction of production halls, warehouses, administration buildings, commercial projects and also reconstruction of all types of buildings. The firm offers the complex supply of construction. EL-PROM s. r. o. is the main supplier of electrical installation for EKOS which gives EL-PROM a lot of job opportunities. This cooperation has lasted for over twelve years, and it has become a strong and successful partnership. (16)
- CBT 04 s. r. o.: Was founded in 1993 in Prague. This company specializes in construction and reconstruction of residential buildings. It operates mostly in Prague and Central Bohemia. The cooperation started five years ago and therefore is one of the youngest partners of EL-PROM s. r. o. which was recommended to CBT 04 by a satisfied client. (17)
- SAPROS spol. s r. o.: The firm was founded in 1991 in Prague. The cooperation with EL-PROM s. r. o. started in 1999. SAPROS specializes in construction and reconstruction of residential buildings, schools, bank institutions and industrial buildings. (18)

EL-PROM s. r. o. has got more clients but these are the most important ones for the company. (12)

5.2.2. Suppliers

The main suppliers of EL-PROM s. r. o. will be described in this chapter.

- SCHRACK TECHNIK, spol. s r. o. – The company developed from Schrack AG which was founded in Austria. Schrack Technik entered the Czech market in 1991. This company is the main supplier not only for EL-PROM s. r. o. but it also supplies other big companies and projects. The firm manufactures switchboards, switchboard hardware, uninterruptible power supply systems, and much more. The company has a great trading system which is supported by over one hundred employees in the the Czech Republic. SCHRACK TECHNIK, spol. s.r. o also offers trainings in the field of electrical systems, technical consultancy, and more extra services. (19)
- K&V Elektro, a. s. - The company was founded in 1991, and it has become a successful company in the field of wholesale and retail of electrical installation equipment. The main warehouse and most of the market places

are located in Prague. The firm supplies EL-PROM s. r. o. with lights, sockets, switches, and other electrical installation materials. (20)

- KAMAT spol. s r. o. – The firm was founded in 1992 in the the Czech Republic. The main course of the company is sales of cables and cable equipment. In the past years the company extended its portfolio by other electrical equipment for electrical installation. The firm has been the main supplier of all kinds of cabling for EL-PROM s. r. o. for over than ten years. (21)
- Půmevek s. r. o. – This firm which is located in Prague was founded in 1993. The firm specializes in renting of construction mechanization. (22)

5.2.3. Competitors

There are many companies that specialize in electrical installation, in Prague, where EL-PROM s. r. o. operates. It is a really tough competitive environment there are more than five hundred firms with the specialization in electrical installations registered in the business register. In this chapter there is a list and a description of the competitors that often compete with EL-PROM s. r. o. for the job opportunities.

All of the companies below specialize in projecting, installation and revision of electrical systems in industrial and commercial buildings. These competitors are mostly larger than EL-PROM s. r. o. But the firm can compete with them because of their longtime experience, financial stability and the quality of their services.

- ELTODO, a. s. – This large company operates in the field of complex electrical systems projecting, supplies, assembly, revisions in all segments such as lightning systems, energetic, technological equipment of buildings, information technologies, and so on. This big company has a large financial and technological background. It operates electrician high school in Prague which gives them educated personnel. That is nowadays a great competitive advantage due to the lack of working force on the market in this field. Due to its financial capacity and variety of operational areas the company has an access to large projects. (23)
- BREMA spol. s r. o. – This company is also much larger than EL-PROM s. r. o. as far as the management knows and it competes the firm in many tenders. It specializes in consulting, projecting, engineering, supplies,

assembly, control, revisions and servicing of all kinds of electrical systems. This company is trying to succeed on the international market. Due to its size and financial capacity the company gets many large industrial projects. (24)

- ELPRING CZ, a. s. – This firm specializes in projecting, but it also has a section that specializes in installation of electrical systems. This section of the company is comparable to EL-PROM s. r. o. with its number of employees. As it was said the company is mainly oriented towards projecting, however it also operates on the field of installations. (25)
- ZKRAT s. r. o. - Another competitor of the similar structure and size as EL-PROM s. r. o. Its advantage is that it offers also construction and insulation services. This company has been on the market since 1992, and it has a very similar tasks portfolio as EL-PROM s. r. o. (26)

As it was said, there are a lot of competitors in the field of electrical projecting, installation, revisions, and servicing in Prague. The above mentioned firms were selected by the EL-PROM's top management as the most indicative competitors for the industrial projects. (12)

5.3. Internal analysis

EL-PROM s. r. o. is a limited liability company established in the year 1991. When the company was founded, limited liability companies in the Czech Republic were characterized as a form of legal entity that is a capital company which is established in writing and signing the social corporate contract. Companies with limited liability become incorporated by enrolling into the commercial register of the Czech Republic.

The minimum capital investment for the foundation of a limited liability company was one hundred thousand Czech crowns back in 1991. Starting in year 1992 the necessary capital investment which to start a limited company rose to two hundred thousand Crowns. In 2012 amendment of the commercial law number 90/2012 Sb. states that the minimum capital investment of a limited company is one Czech crown.

Companies with limited liabilities can have from one to fifty shareholders. The company guarantees its liabilities by all the estates of the company, and its shareholders pledge equally the unpaid part of the capital investment. The memorandum of association is a document by which a limited company is established. This social contract has many requirements: (27)

- **Name of the firm:** EL-PROM s. r. o.
- **Field of business or field of activity:** Assembly, repair, revisions and testing of electrical wiring and devices. Projecting activities of construction. Production, trade and services that are not mentioned in attachments one to three of the Trade licensing act.
- **The names and addresses of the shareholders:**
 - Jiří Erben, Úvozová 25 Prague 9, 19016.
 - Jiří Polidar, Otradovická, Prague 4- Kamýk, 14200.
 - Zdeněk Pučálka, Českobrodská, Český Brod- Štolmíř, 28201.
- **The amount of shares of each shareholder, are as follows. The responsibilities and privileges of the shareholders are in relation to their shares.**
 - Jiří Erben: 40/105
 - Jiří Polidar: 40/105
 - Zdeněk Pučálka: 25/105
- **The amount of deposit or deposits that attribute to the share or shares:**
 - Jiří Erben: 40 000 CZK
 - Jiří Polidar: 40 000 CZK
 - Zdeněk Pučálka: 25 000 CZK
- **The amount of share capital:** 105 000 CZK
- **The number of directors and their course of action:** There are three directors in the company:
 - Jiří Erben: Financial supervisor
 - Jiří Polidar: Technical supervisor
 - Zdeněk Pučálka: Assembly supervisor

5.3.1. Marketing mix analysis

5.3.1.1. Product

EL-PROM s. r. o. is a company which offers various electrical services depending on the particular project. Mainly the service comprise of projecting, installation, repair and revision of electrical wiring and electrical devices. This is the general description of the company's product. (12)

The company's product can be divided into five main segments:

- Project planning and engineering by specialized engineers, this includes the drawings of the project in any stage of construction and consulting services.
- High voltage installations including the assembly and supply of transformers and distribution wiring up to 35 kV (kilo volts) and assembly and supply of backup power sources.
- Low voltage installations including the supply, assembly and revisions of electric installations in residential and industrial buildings. The low voltage installations also include security systems, data wiring, fire detection, intelligent buildings systems, telephone wiring, and more.
- Energetic installations for clients like PRE a. s. and connection of buildings to the high voltage. Assembly, maintenance and revisions of transformers and substations.
- Warranty and post warranty service of electrical systems and equipment.

The actual product varies from project to project so it is hard to characterize it. But because the product is actually a service the basic description of the service process will be described below in chapter 6.1.6.

5.3.1.2. Price

Price is calculated depending on the particular project and is calculated upon a personal examination of the construction site, as well as the technological, material, and time requirements. The price offer is set up by a budget technician who uses specialized software, Celektro and CS URS. Once the offer is made it must be reviewed by the company's managing director who is responsible for the factual and financial accuracy.

5.3.1.3. Place

The firm cooperates with companies that work in various fields of construction. This is both a very valuable cooperation as well as a distribution channel. These construction companies are in the position of a subscriber for EL-PROM. The list of these companies is stated in chapter 4.5. Another very valuable cooperation of the firm is with the Greek businessman who decided to invest into the hospitals in Central Bohemia. This long term cooperation has brought EL-PROM many job opportunities.

The service of electrical installations requires the mobility of EL-PROM employees and a well managed supply chain management. The mobility of the employees is ensured by personal and business cars or by public transportation if the location of a construction is in the operational area (Prague). Every project needs to be supplied materials. EL-PROM manages their supply through their own car and personnel. Firstly, the material needed for each project is calculated from the project documentation. There are two options how to get required material: the first possibility is to get it in the company's warehouse; and the second possibility is to order it from one of company's suppliers (chapter 4.6.).

The responsible person for supply management is the Head of Assembly who requests material from a supply technician after agreement with the head technician and/or head planner. Before ordering any material from the suppliers the supply technician must search for the needed material in the warehouse. If there is none, then he should order it from the company's suppliers. After ordering material, the supply technician is responsible for the pickup from the supplier and the delivery to the construction site where the head technician overtakes the material. (13)

5.3.1.4. Promotion

The primary promotional tool of the company is public relations. EL-PROM sponsors Slavia Prague hockey team and Nynburk basketball team. These sponsorships are based on the rental of commercial areas in the stadium and on their web sites. EL-PROM is also a partner of the Golf challenge where they also rent commercial areas. The top management of the firm states that these commercial areas have brought them the most new customers from all of their promotion activities. (13)

The firm has their own website www.el-prom.cz which introduces the company, its products and reference projects. The last update of their web site was in 2012, the currently web site needs to be updated.

The company's top management tries to attract clients by direct marketing tools. That means that the top management contacts potential clients, and based on a dialogue, tries to convince them to cooperate with the firm.

5.3.2. People

Directors

The top management is formed of two managing directors: the Financial Director, and Technological Director. The directors have been in the company from the beginning, they have established the company. The Technological Director is responsible for controlling all the processes among the firm which are listed in chapter 5.1.6 Process. The Financial Director is responsible for the company's financial situation.

Both of the directors have been searching for new customers and clients to ensure that the company's service will be sold. Nowadays the directors try to teach their young successors how to run the firm. The directors have great experience in the field of electric installations, and both are very trustworthy, which has ensured the company's many clients.

Budget technician

Each project begins with a price offer must be created by the budget technician. There are two software programs that help the Budget Technician to calculate the price offer: Celekro which is used for the smaller projects below 100 000 CZK; and CS URS, which is used for bigger projects above 100 000 CZK. These price offers are calculated based on the order form, project documentation, and personal visit of the construction site.

Head planner

If there is an order for project documentation, the firm contacts its Head Planner who will elaborate this document.

Head of Accounting and Personnel

As EL-PROM s. r. o. is a small company, the head of Accounting and Personnel is also the secretary. As an accountant, she does all the accounting of the firm's wages, payments to suppliers, taxes, etc. As a head of personnel, their responsibility is to hire and release the employees, take care of their needs, ensure that the employees have the required education and provide training of the personnel.

Head of assembly

The Head of Assembly is in the company structure above all the technicians. His responsibility is to oversee each project. He controls all the construction diaries, invoices and also he is responsible for the communication with the customers. The Head of Assembly also controls which materials to purchase and from which supplier they should be purchased.

Head technician

The Head Technician is selected for each project from among the technicians. This position is not a position of any one person as the technicians alternate this position. The Head Technician is responsible for the project he has been selected for. As it is written in the next chapter 5.1.6., his responsibility is to keep the construction diary, order material, control the technological procedures, control the quality, and he is also responsible for the wages of the technicians.

Supply technician

The Supply Technician is responsible for supplying each construction site with the material and equipment ordered by the head technician. The supply technician's responsibility is to keep the warehouse clean and sorted. He is also responsible for the supply car that belongs to the company and the purchasing of material from the suppliers, etc.

Technicians

All the technicians must be technically certified according to National standards. This is required by the law of the Czech Republic. There are seven permanent technicians. The young group of technicians shares a family-like relationship, which is shared among the whole firm. The best technician in the company is Lukáš Rezek, who is the most educated about the new technologies and

technological requirements. Mr. Rezek solves the technological problems for other technicians and he has the responsibility over the hospital constructions that the firm is operating on.

Tradesmen

If there is a need for more technicians the company hires the tradesmen. There are eleven tradesmen that have cooperated with the company for a long time. These tradesmen are experienced, well educated, technicians who have proved their quality in the realization of the past projects. (12)

5.3.2.1. Process

Process before the construction

The first step in realization of the product is the planning of the realization. Usually the construction plan already exists, but if it does not, then the firm produces it. The project is produced by the Chief Designer of the firm based on the order form including tender documentation. The tender must be assessed by the Chief Planner for its feasibility.

From the construction plan, the price offer is set up based on the technological sophistication, material, and time requirements.

If the customer agrees with the price offer, the next step is to set up the contract for work based on the agreement with the customer. This contract based on the circumstances should include: (13)

- Contract parties
- Scope of contract
- Price of the work
- Terms of payment
- Obligations of the parties
- Responsibility for defects
- Warranty period
- Contractual penalties
- Other arrangements
- Signatures of the parties

Before handing the contract for work to the customer the contract must be reviewed by the Managing Director who is responsible for factual and formal correctness, and for the correct specification of scope of the contract. The scope of the contract is specified based on the project documentation and price offer.

The top management then selects the employee who will be responsible for realization of the project (head technician).

Based on the project documentation, the material is either provided from the warehouse or bought from the suppliers. The Supply Technician is responsible for the input inspection of the materials. The Head of Assembly is responsible for oversight of the materials and he keeps the required documentation about the materials.

The basic technological equipment is available for each assembly group and if there is a need for advanced technological equipment, it is delivered to the assembly group from the warehouse or from the suppliers by the Supply Technician.

Based on the time requirements of each project, the number of workers needed for each project is estimated. The top management is responsible for this estimation.

(13)

Process during the construction

Takeover of the construction site is the responsibility of the Head of Assembly or an authorized employee. The takeover follows the conditions stated in the contract for work. The Head of Assembly or the authorized employee must elaborate the written record of the takeover.

The personnel of the assembly group are introduced and educated how to realize the project effectively, safely and in good quality by the construction engineer. This training must be registered in the construction diary. The head technician is responsible for keeping the construction diary.

The work is done by following the contract for work or project plan. The Head of Assembly oversees the realization of each project with an emphasis on technological discipline. The head technician keeps the construction diary and divides the work between the assembly group workers.

The control over the project is given to the head technician and the head of assembly. The Managing Director is responsible for the random inspections of the

project. The evidence about the control activities must be noted in the construction diary. At the end of the construction the checkout control takes place. The prescribed examinations and revisions must be done by an authorized technician and, based on these the finished project is passed to the client. Based on the successful checkout control, the client is asked for acceptance of the work. To complete the transfer from the firm to the client, the transfer protocol must be elaborated and signed. (12) (13)

5.3.2.2. Physical evidence

In the field of electrical installations, past projects could be stated as the physical evidence of provided service. The main past projects of EL-PROM are listed in chapter 4.3. Past projects serve to the new customer as the physical evidence of the company's service quality.

As (4) states the company's office can also serve as physical evidence for customer. But for a small company operating in the field of electrical installations such as EL-PROM, it is not so important how the office looks, but the degree to which it is practical. The office of the company is composed of four sectors. The first sector is for the top management, the second is for accountancy; the third is for planner and mechanics. The fourth sector is used for the assembly of electric fuses and electric distribution boxes. The office is located in the center of Prague which is a great location for its accessibility.

5.3.3. Evaluation of the current marketing mix

The marketing mix EL-PROM is quite sufficient for the current situation, but to gain more customers, which is the objective of the company, the marketing mix needs to be improved. The main elements that should be improved are promotion and distribution (place).

The top management of the company agrees that there is capacity for hiring new technicians. The current situation requires hiring tradesmen to fulfill all the projects. It is very complicated nowadays to find young and well educated technicians who are willing to work in the field of electrical installations.

The process of the service is sufficient, and it is stated in the quality report which the company has evaluated.

The friendly family-like relationship among the personnel is inspiring, but on the other hand, there is a lack of control of personal performance. The Head Technician is in charge of the personnel on each construction site and his responsibility is to control employees, and to distribute wages based on personal performances, but because of the family-like relationship, this is not realistic.

5.4. PEST analysis

5.4.1. Political factors affecting the company

The Czech Republic is a democratic country in which the Parliament holds the central role in the political system. Since the year two thousand and four the Czech Republic is a member of the European Union and since the year 2006 it is also member of the Schengen area.

5.4.1.1. Value-added tax

The law of value-added tax is complicated and it changes quite often. EL-PROM s. r. o. is a payer of value-added tax which means that the company must pay this tax on any service or material which the company sells. It is obligatory to be a payer when the company's turnover crosses one million Crowns per the previous twelve months.

When the company must pay the value-added tax it is important, that their suppliers and customers are also payers of this tax, as the company can then subtract the value-added tax from the cost of the supplier's product, and add the value-added tax to the final price of a service. The development of value - added tax is shown in table 3.

Table 3: Development of Value-added tax in the Czech Republic: (28)

Period	Value-added tax
2004-2007	19%
2008-2009	19%
2010-2012	20%
2013- ...	21%

5.4.1.2. Health and safety at work

In the Czech Republic, safety, health and well being at work fall primarily within the jurisdiction of the Ministry of Labor and Social Affairs. Safety, health and well being at work are treated by many laws, notices and restrictions from the government. These laws and restrictions dictate many obligations that the company must follow. The most general one is that the firm must provide safety and protection of health of the employees at work, with consideration of the risks of possible life or health threats that are related to the work. (29)

Employer's obligations:

- **Risk analysis:** The employer's duty is to search for and analyze dangerous factors and processes of the working area, and to find the source of those risks. Based on this analysis the employer must rate and judge those risks and take action for their removal. The employer must control the safety of the working environment and maintain its, equipment for the protection against injuries and health risks. These obligations are determined by law.
- **Safety, health and well being training:** This training is funded by the employer and should be repeated when there is a change in technologies or procedures for which and the employer is responsible for the terms of training. This training should introduce the employees to the laws and restrictions in the field of safety, health and well being at work. This training is aimed at the risks that could occur in the working environment of the employees. After the training, there should be a check up about the gained knowledge. If an employee fails this test he must repeat the training.
- **Working equipment for personal protection:** This equipment is characterized by law as protective tools that must protect the employee against risks, that cannot endanger their health and that cannot impede the work. The main obligation for the employers is to construct a list of the protective tools based on the analysis of the risks. This equipment must be replaced in a time period which is determined by law.
- There are many more employer's obligations but these three affect the firm the most. Here are some examples of other obligations: Statutory insurance for the employees' injury or occupational disease; making sure that the

employee does only the work he is qualified for; providing a doctor that will take care of the employees, and many more.

5.4.1.3. Governmental plans

The elections to the Parliament of the Czech Republic in two thousand thirteen play an important role for the future of state. The new coalition is made up of three political parties: Czech social democratic party, political movement ANO, and political party KDU-ČSL which is a Christian-democratic conservative party. The result of the coalition may affect EL-PROM in the following ways: (30)

It is stated in the coalition contract that the coalition will support the growth of small and middle size companies, which still represents the unused reserve in growth and employment. The coalition will simplify the law of public tenders, and by this simplification the coalition intends to make public tenders more accessible to small and middle size firms. The law of public tenders should also simplify the administration requirements for the companies.

The coalition has also stated that they will support primary education of technical study specializations in all kinds of schools with the intention to connect practical experience with theoretical knowledge in connection to the business sphere, supporting a dual system of apprentice education and preparation.

In the energy sector the coalition will support the modernization of industry with the aim to reduce energy consumption. (30)

5.4.2. Economical factors affecting the company

EL-PROM operates only in the Czech Republic. Because of this fact, foreign currency exchange policies do not apply.

5.4.2.1. Gross domestic product (GDP)

GDP is commonly used as an indicator of the economic health of a country, as well as to measure a country's standard of living. The growth of the Czech Republic's GDP was influenced by the worldwide financial crisis in two thousand eight and two thousand nine. This depression influenced most of the companies in the Czech

Republic. Constructing companies, like government sectors, had to reduce their costs the developers had to decrease theirs. (31)

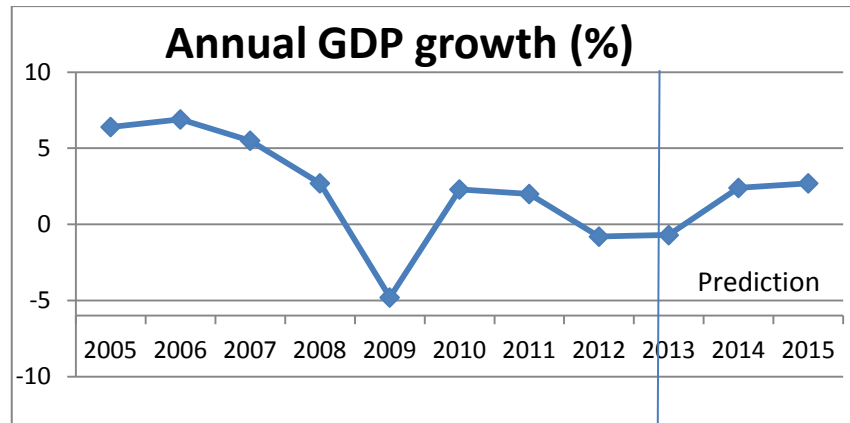


Fig. 8: Annual growth of GDP in the Czech Republic (%) (self elaboration, source: (31))

As it is obvious from the graph above, the depression in both 2008 and 2009 caused a great drop in the growth of GDP. Since then the economy has been slowly recovering. The data from 2013 is based on the prediction of the Czech National Bank.

5.4.2.2. Inflation

According to the Ministry of Finance, the inflation rate in two thousand fifteen should grow very slowly. In the past year 2014, the inflation rate reached only 0,4 % in comparison to that of 2013. The inflation rate this year could decrease to 0,3 %, primarily because of the drop in prices of oil. In the next year, 2016, it is predicted that the consumer price index will rise, but that it will stay below the Czech National Bank's inflation target of 2%. The low inflation rate prediction could have a positive impact on EL-PROM because industrial companies will be willing to invest more, which should result in more possible job opportunities for the firm. The development and prediction of inflation rate is shown in figure 9.

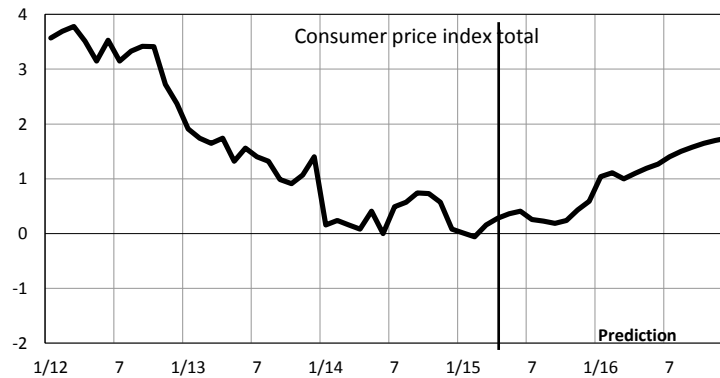


Fig. 9: Growth of the inflation rate and prediction (source: <http://www.mfcr.cz/cs/verejny-sektor/prognozy/makroekonomicka-predikce/2015/makroekonomicka-predikce-leden-2015-20401>)

5.4.2.3. Wages

As average wages rise, young people want to reach at least the average wage. In Prague where EL-PROM operates, the gross average wage in two thousand thirteen was slightly above 30 000 CZK. But the gross average wage in construction work in Prague in 2013 was around 25 500 CZK. This is one of the reasons why there are not enough young skilled and educated manually working people. The average salary within EL-PROM is around 23 500 CZK, which is much less than the average salary in Prague. The graph below shows the comparison of the average salary in the Czech Republic, Prague and the firm.

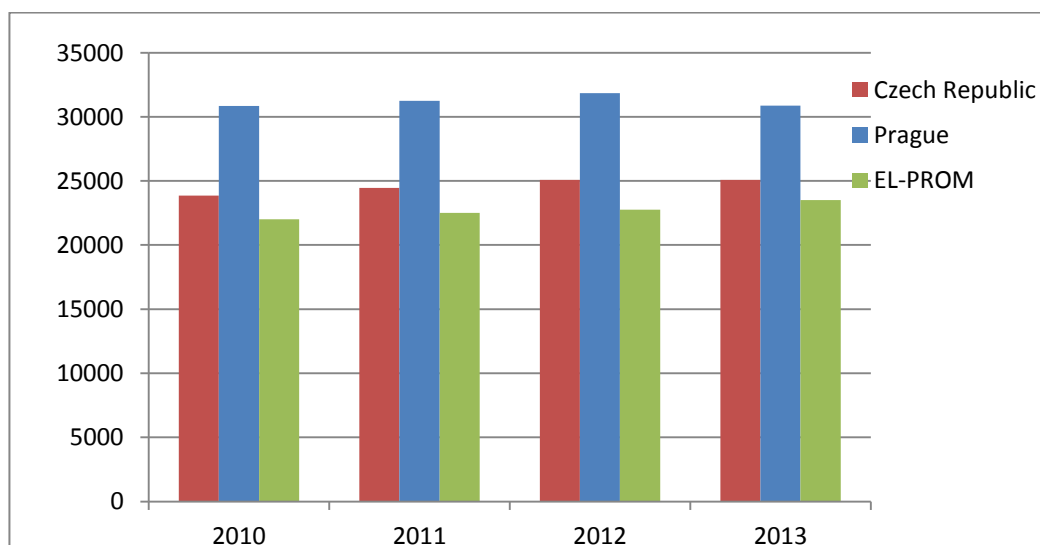


Fig. 10: Average gross wages in the Czech Republic, Prague and EL-PROM firm (CZK) (self elaboration, source: (32) (13))

5.4.2.4. The global economic crisis

Before the year 2009, the Czech economy grew steadily and rapidly, and its growth rate was more than twice as high when compared to Euro zone's Member States. The Czech economy has been impacted by spillover effects from the global crisis starting in 2008 (mainly through the decline in foreign demand). Heavy dependence on industry, which was most affected, caused that industry's performance drop, pulling down the whole economy. Although the Czech Republic is not among the countries most affected by the crisis, it's still faced with a substantial year-on-year decline in real GDP in every quarter of 2009. The downturn was largely driven by a sharp contraction in investment, as companies scaled down their production capacities in view of low access to financing and uncertainty about future prospects. The economic crisis and the contraction in investment also affected the construction projects. (33)

5.4.3. Social factors affecting the company

5.4.3.1. Education

The amount of young people who achieve a university education is rising. This fact affects EL-PROM, because there is a lack of manually skilled young people who would like to work on a construction site. The company's management has stated this fact as one of the most actual problems for their company. The graph below shows the percentage of education levels in the Czech Republic.

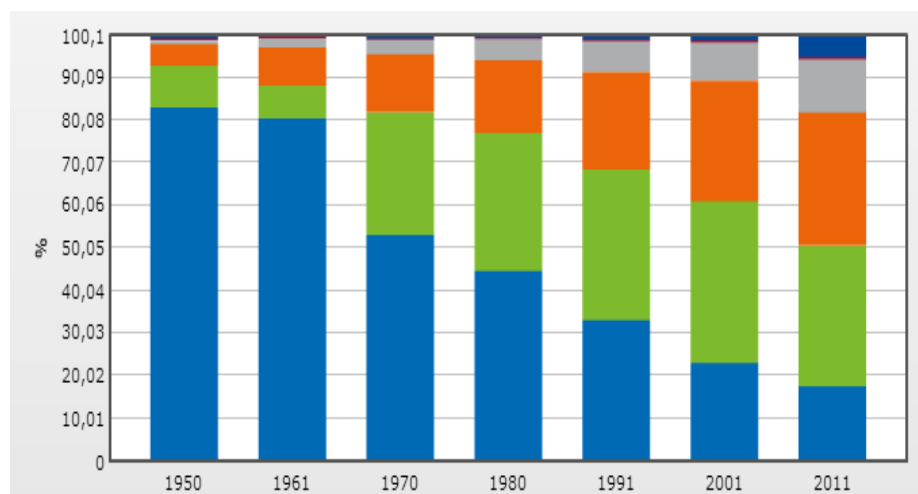


Fig. 11: Achieved education in the Czech Republic.

(Source: https://www.czso.cz/csu/czso/souhrnna_data_o_ceske_republice)

5.4.3.2. Population ageing

The Czech Republic's demographic structure is expected to change due to the aging population. The aging of population will inevitable have an impact on the whole economy of the Czech Republic and also on EL-PROM firm. The decrease of the productive population will once again have an impact on the employment of young educated people.

It can be assumed that the development and realization of new residential buildings will decrease. On the other hand, there will be a greater need for health centers and senior nursing homes.

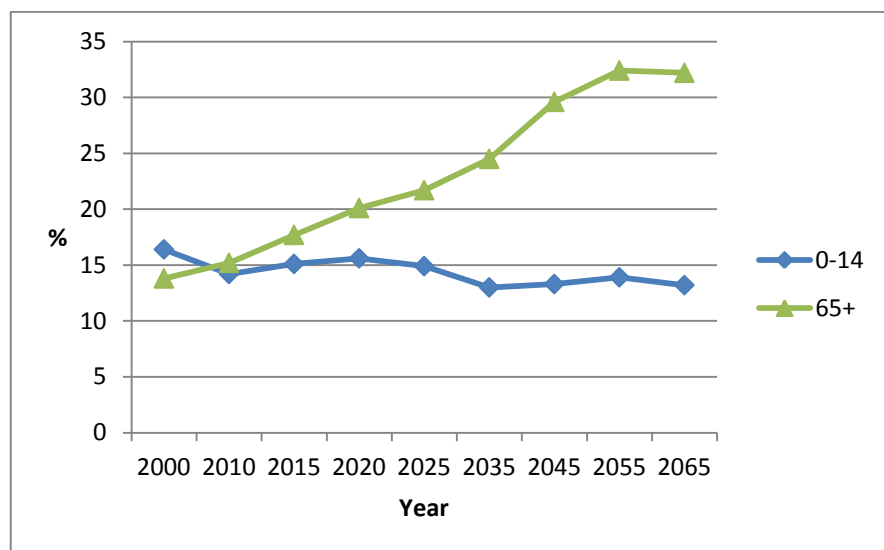


Fig. 12: Population ageing in the Czech Republic (self elaboration, source: (34))

5.4.4. Technological factors affecting the company

There are many technological factors that affect EL-PROM. The field of electrical installations is affected by norms, standards, and regulations. These norms are often changed due to the development in technologies. In the field of electrical installations it is important to keep attention to these changes. The basic concept of these norms, standards, and restrictions is to ensure that the electrical installation will be safe, but also clearly arranged, correctly crafted and reliable.

The requirements for electrical wiring are given by ČSN 33 2130 ed. 2 which refers to inside low voltage installation.

Employers must ensure that their employees are well educated and aware of the norms and regulations to keep a competitive advantage. Technological directors are responsible for deciding which norm is requisite, and for purchasing or renting these norms.

5.5. SWOT analysis

For the SWOT analysis, the data from the PEST analysis and the analysis of the current situation of the firm were used. The individual elements of strengths, weaknesses, threats and opportunities factors were subjectively selected by the author with the help of the top management of the firm. The SWOT analysis should help formulate the optimal strategy for the company based on the total points of each factor of the analysis. The points were assigned based on the subjective opinion of the author and the top management of the company. The range of points was from 1 to 5, where 1 is the least important and 5 is the most important. The selected elements of each factor with the assigned points are listed in tables 4 to 7.

Table 4: Selected strengths

Strengths	Points
Long term on the market (tradition)	2
Quick reaction to the market changes	3
Long term cooperation with clients	4
Reference projects	3
Family like relationship among the company	1
Quality	3
Mr. Lukáš Rezek	2
Wide range of services	3
Capacity for new client	3
Total	24

Table 5: Selected weaknesses

Weaknesses	Points
Shortage of young educated employees	5
Warehousing system	3
Personnel performance control	4
Little opportunity for bank loans	4
Poor promotion	5
Financial background	4
Total	25

Table 6: Selected opportunities

Opportunities	Points
Growth of the construction industry	4
Development of new technologies	3
Reconstruction of the health centers	3
Great location in Prague	2
Gain of new partners	5
Total	17

Table 7: Selected threats

Threats	Points
Poor payment discipline of client	4
Development of the competition	3
Lack of young educated technicians	5
Growth of the salaries in Prague	2
Population aging	2
Total	16

5.5.1. Selecting a strategy based on the SWOT analysis

The result of the SWOT analysis is a matrix which helps to formulate the optimal strategy for the company. There are four possible strategies:

- SO (strength-opportunities) strategy is so called maxi - maxi strategy which leverages strengths and maximizes opportunities.
- WO (weaknesses-opportunities) strategy counters weaknesses through exploiting the opportunities.
- ST (strength- threats) strategy, which is also called defensive strategy, leveraged strengths and minimizes threats.
- WT (weaknesses-threats) strategy tells us to build up strengths for defensive strategy.

Table 8: The evaluation of the SWOT analysis

Choosing the strategy from the SWOT analysis		Internal factors	
		Strengths	Weaknesses
External factors	Points	24	25
Opportunities	17	SO strategy	WO strategy
Threats	16	ST strategy	WT strategy

The result of the SWOT analysis concerning EL-PROM was that the weaknesses - opportunities strategy should be selected. This result was consulted with the top management of the company and it was agreed that this strategy is optimal for the firm. As it was said, the company wants to gain new clients, and to achieve that, the company must minimize or transfigure its weaknesses. Because the weaknesses are internal factors, the company must take steps to eliminate them.

The WO (weaknesses – opportunities) or “mini – maxi” strategy, attempts to minimize the weaknesses and to maximize the opportunities. There are opportunities for EL-PROM but the company has some weaknesses which prevent the firm from taking advantage of those opportunities.

Firstly the firm should improve their promotion activities to attract new clients from the market of construction services, as the construction industry is currently growing in the Czech Republic and many companies are looking for a reliable long term contractors for the electrical installations. The questionnaire was set up to find out what are the requirements of the construction companies for the

contractor of electrical installations and where the construction companies search for the contractors.

The lack of young educated employees should be eliminated by cooperating with the specialized electrically oriented high schools in Prague. Young students could have a part time job in the company as a way to apply their theoretical knowledge in practice. The young employees should be specialized in new technologies to help the company to keep pace with the development.

The warehousing system is currently insufficient, but it can be easily improved by basic software. Even simple excel charts would help the Supply technician to improve the orientation in the warehouse. The current system of warehousing relies only on inventory which is performed once a year.

The company should use their expertise with electrical installation of health centers to gain new contracts in this field, as there are not many companies with such experiences. It can be expected that the aging population in the Czech Republic would lead to a higher need of health centers and reconstruction of the existing ones.

The little opportunity for bank loans is caused by the firm's amount of capital. Currently there are not any available sources to increase the capital. This is related to the financial background of the company. Many current customers owe money to EL-PROM; their payment reliability is very poor.

To control the employee's performance with a family-like approach within the company is almost impossible. Nobody wants to make an enemy of their colleague. To improve that a reward system should be set up. The head technician at each construction site would rate the performance of each employee and based on this rating a reward would be given to the employee with the best performance.

5.6. Questionnaire

The questionnaire was set up to help the company to understand how and why construction service companies select their electrical suppliers of the installations. Based on the results of this questionnaire, improvements in the promotion of the company will be determined. The new promotion strategy should help achieve the company's objective of to gain new clients. The questionnaire itself is listed in the enclosures section at the end of this thesis.

1. The introductory question was to characterize the responding company by the number of personnel working in the company.

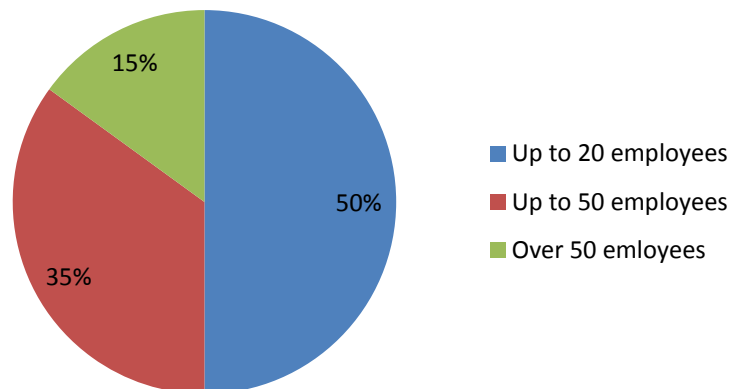


Fig. 13: The evaluation of the question 1 of the questionnaire.

This graph shows the percentage of the responding companies by the number of their personnel. Small companies (up to 20 employees) were the most willing to cooperate on this questionnaire.

2. The second question was selected to determine if and how the companies ensure the electrical installation. If the companies do not provide electrical installation as a part of their services, their further cooperation was not needed.
The graph on the next page shows that most of the respondents provide electrical installations as a part of their services, mainly by the external contractor.

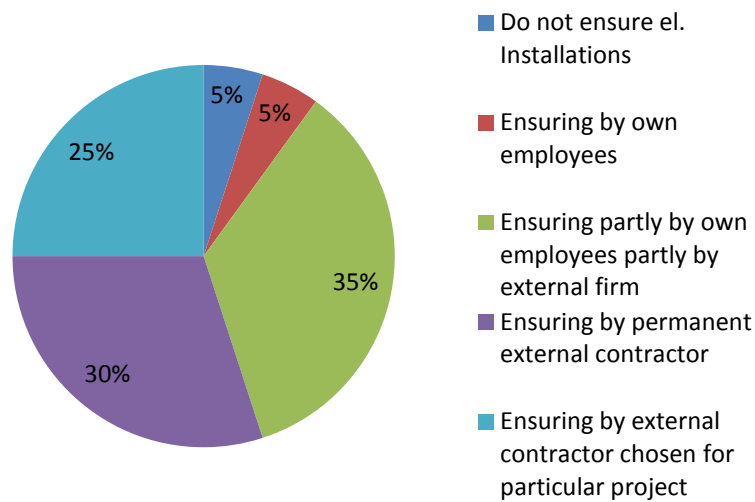


Fig. 14: The evaluation of the question 2 of the questionnaire.

- The aim of the third question was to find out where and how the companies search for the external contractors. There were eight possible answers, but only four of them were selected as an option.

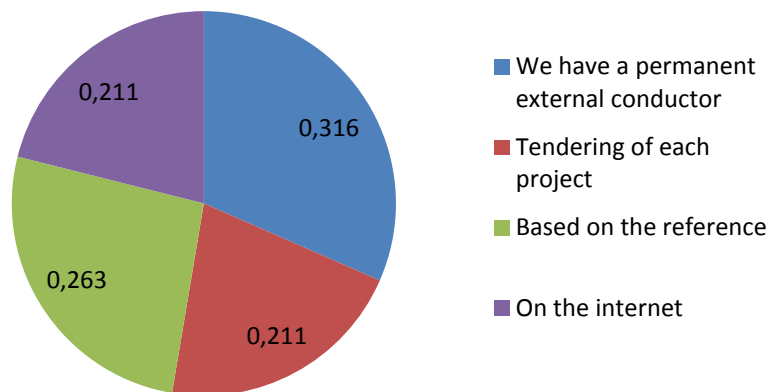


Fig. 15: The evaluation of question 3 of the questionnaire.

From this graph it can be assumed that many companies already have their permanent external contractor for electrical installations, however, the majority is still searching for external contractor. The aim is to attract these companies to take EL-PROM as their external contractor for electrical installations. From the collected replies it is obvious that attention must be given to internet promotion which should focus mainly on highlighting past successful projects in order to increase the probability of winning a tender. To achieve the increase in probability it is necessary to understand which factors affect the selection of the contractor.

The next part of the questionnaire was devoted to the criteria affecting selection of a contractor of electrical installations. The question asked in the form is: How important are the following criteria for your company? The respondents could choose their answer from the range 1 to 5 where 1 represents little importance and 5 represents very important criteria. The most important factors selected by the respondents are listed below. EL-PROM should use gained knowledge from the questionnaire to improve their performance or to improve their current situation within these factors. The graph evaluation of all the questions is listed in the enclosures.

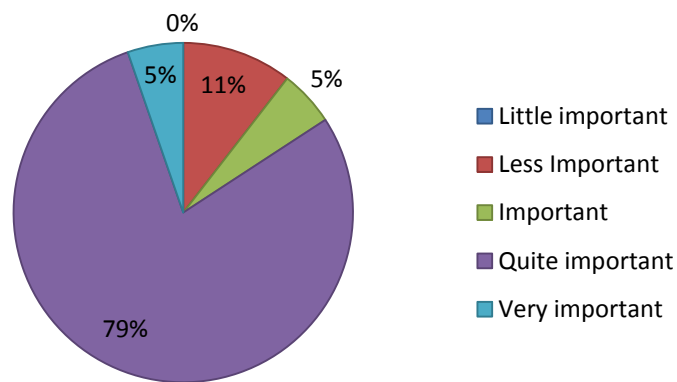


Fig. 16: Price of realization, level of importance by the respondents

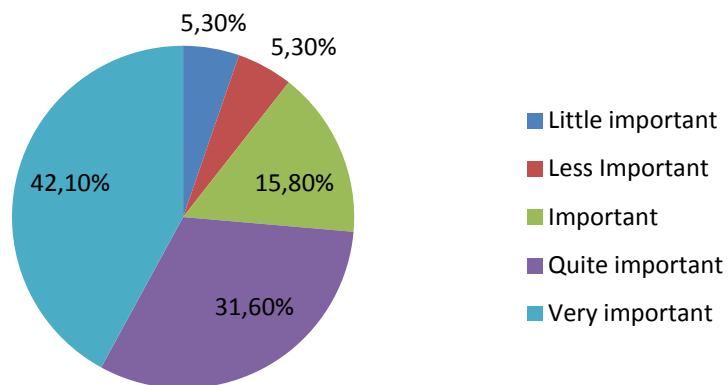


Fig. 17: The length of the proposed duration of the project realization, level of importance by the respondents

The respondents selected the price as quite important (79 %) and the length of the proposed duration of the project realization almost equally as very important (42 %) and quite important (31.6 %) factors for choosing a contractor for electrical

installations. As a small company EL-PROM cannot do much about the price because the price is set up to cover the costs plus margin. The firm is even willing to exclude the margin from the price, when there is lack of work. The time duration for project execution is affected by many factors, but EL-PROM can use the tradesmen to speed up the execution of the project, which will affect the price of realization.

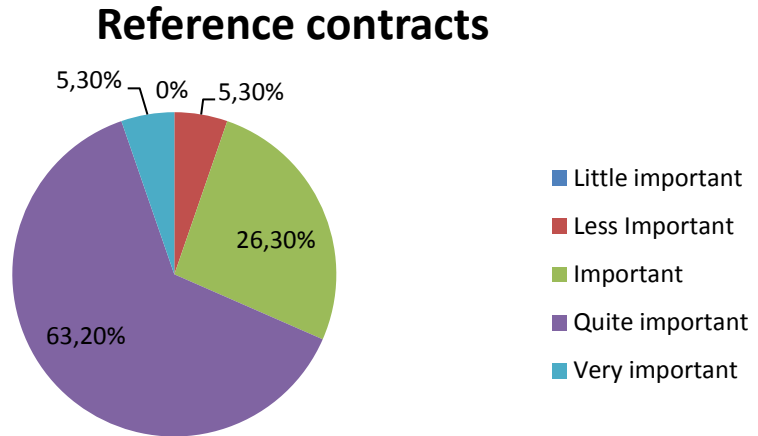


fig. 18: The reference contracts, the level of importance by the respondents

The company should utilize their great reference projects to lure new clients because the respondents selected reference projects as quite important criteria when choosing a contractor. Also, the company has a wide range of services, as described in their product specification, which was also selected as quite important factor upon which the firm could build.

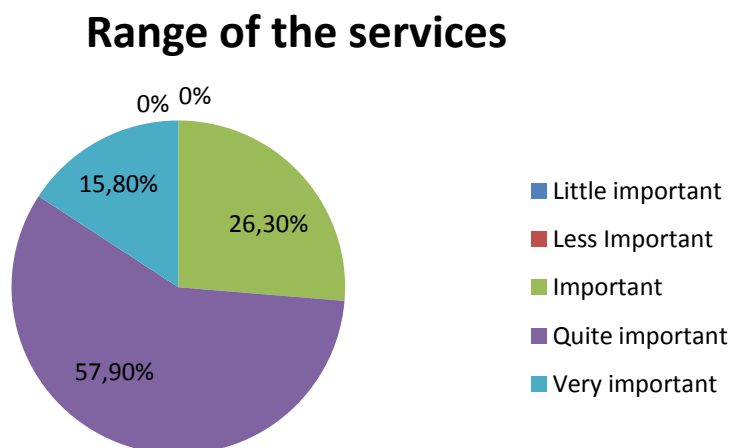


fig. 19: The reference contracts, the level of importance by the respondents

Warranty and after warranty service

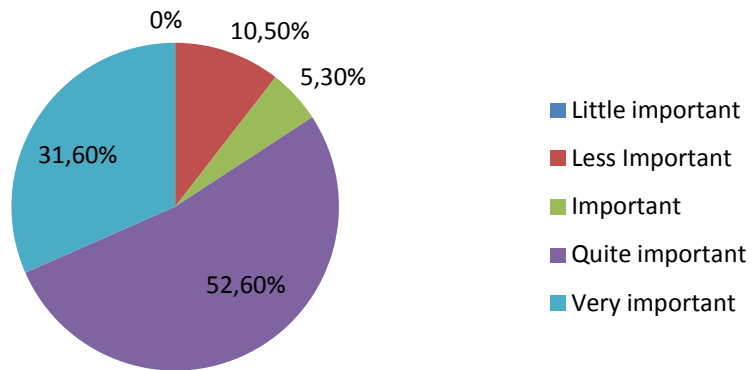


fig. 20: The reference contracts, the level of importance by the respondents

Warranty and after warranty service is also an important factor for the selection of the contractor. EL-PROM does both as a part of their services. The company has no debts which can be found in the detor register.

5.7. Suggested improvements in promotion strategy

Based on gained information from the questionnaire and from the analysis, the author decided to suggest a new promotion strategy to attract new clients from the field of construction service companies located in Prague. This chapter is devoted to the promotion strategy.

Internet advertising and digital marketing

The firm's web page needs to be updated and improved. The last update of the web page was in 2012 and it contains outdated information. The new web page should contain detailed information and pictures of the reference projects, long term partners, range of the provided services, short description of the services and other basic information about the firm.

The questionnaire showed that around 20 % of the construction companies search for a contractor on the internet rather than in other communication channels (radio, television). The suggestion is to invest into internet advertising such as pay per click and search engine optimization. The search engine optimization should include phrases: electrical installation company, electrical installation of health centers, electricians in Prague and so on. The pay per click service on Google (Google

Adwords), and Czech service Sklik, should be used, as the investment into these depends on the company and it does not have to be a high investment since the company will pay only for the actual people or companies that visit the webpage.

Sales promotion

The suggestion is to produce discount cards that will be distributed to the material suppliers of the company. The suppliers of the firm are well known companies on the market and many construction service companies buy material from them. The discount should be up to 10 % of the final price to attract the construction companies. The firm's top management agrees that these one term sales could help the company to attract new clients, because they believe that once a construction company experiences the quality and responsiveness of EL-PROM firm, there is a great chance to gain a long term client.

Personal selling

Personal selling already exists in the company and it has been very successful. The firm should continue with personal selling, targeting the construction service companies.

6. Discussion

The current situation analysis of EL-PROM s. r. o., showed us the company's organizational structure and the basic information about the firm and its partners, competitors and suppliers. I looked at the main past projects of the firm which helped me to understand what kind of projects the firm has done. Most of the big projects the company has participated on were given to the firm by construction service companies. The cooperation between EL-PROM firm and their long term clients from the construction field are very important for the company. The company currently also cooperates also with the hospitals in Beroun and Hořovice.

By analyzing the current marketing mix of the company I have learned about the company's internal strengths and weaknesses. The strengths and weaknesses were selected subjectively based on the gained knowledge and with the help of the top management of the firm. The selected strengths and weaknesses farther served as a basis for the SWOT analysis. As the strengths of the company I selected nine elements which I will describe.

The company was founded in 1992 and since then it is a well functioning company which I consider a strength as since then the company has built up a good name among their clients. The firm is quite small - it has only 11 permanent employees that are complemented by freelancers when needed. This fact serves as a basis for quick reaction of the firm to the market changes. As the greatest strength I selected the long term cooperation with clients such as Hospital in Hořovice, hospital in Beroun, CBTo4 constructions or SaproS construction services firm. The long term cooperation with these companies has brought EL-PROM firm many projects in the past and I believe that this co-operation will go far in the future. EL-PROM firm has cooperated on some large projects such as Sazka Arena in Prague, Letov Letňany and many more. These past projects can serve as reference projects and also as physical evidence of the company's services. The personnel of EL-PROM firm had stated that there is a family like relationship within the company and that it is one of the reasons they like to work there. I used to being this to be both a weakness and a strength because the good relationship with the personnel has its pros and cons. But the personnel convinced me that it is one of the strengths of the company. As the top management has stated the company has always focused on the quality of work and the company's reliability. To ensure the quality of work the firm has to employ well

educated and handy personnel. Lukáš Rezek is the expert of the firm who solves at the problems when they appear. Educated and well trained personnel, is the basis for the wide range of the company's services. EL-PROM's top management told me about their intension to hire more technicians to ensure more projects. There is available capacity for more projects and more clients which is also a great strength of the firm.

As the weaknesses I subjectively selected poor promotion as the main negative. Poor promotion of the company results in lack of customers. The shortage of young educated personnel is another weakness that I agreed on with the top management. It is hard to find young people who are willing to work at a construction site for a salary below the average. The warehousing system of the company misses software which would simplify the whole warehousing system. As I stated the family like relationship within the company also has its cons, such as poor personnel performance control. Because of the size of the company there is very little opportunity for bank loans. To win great tenders the financial background of the company would have to be much stranger. That is why I stated the financial background as a weakness. The internal weaknesses should be eliminated or transformed into strength which is not always possible because of the limited resources. But the gained knowledge about the weaknesses of the firm will be used by the top management of the firm as a basis for making changes.

The analysis of the external environment (PEST) which I performed was supposed to show me which factors could be stated as the threats and opportunities. Again, I selected the factors subjectively based on the theoretical knowledge and cooperation with the firm's top management. In the PEST analysis I firstly listed all the main factors that are affecting the company and then I selected the threats and opportunities that were farther used in the SWOT analysis.

After analyzing the internal and external environment I set up the SWOT matrix and assigned points to each element of the matrix. Once again the points were assigned subjectively based on my opinion and the opinion of the top management. Once the matrix was done I elaborated the evaluation matrix that showed me which marketing strategy is the best suitable for EL-PROM firm based on the total points of each element of the SWOT analysis. The optimum strategy was evaluated the weaknesses – opportunities strategy which tells us to minimize the weaknesses to

maximize the opportunities. My suggestion was to transform the weakness of the poor promotion into the strength by improving the promotion strategy of the firm. To improve the promotion I used the company's strengths to fulfill the opportunity to gain new clients.

To improve the promotion strategy I missed the information about the potential clients from the field of construction services. To gain the needed knowledge I set up a questionnaire which was targeted to the construction companies operating in Prague. The questionnaire had the electrical form on the internet and it was distributed to the firms by email. I asked almost 200 companies to cooperate, but only about 15% of the respondents answered to the questionnaire. Based on the gained knowledge I set up a suggestion for the improvements in the promotion strategy of the company. It consists of internet advertising, digital marketing, personal selling and sales promotion.

The actualization and improvement or searching engine optimization (SEO) is an important instrument for the firm's promotion on the internet. For example the company Euroline Bohemia s. r. o. stated that it has improved their web site traffic by 48 %. (35) The firm's webpage actualization will be produced by tradesman who did not want to be named. The web page actualization will cost 7 500 CZK.

As the form of internet advertising I selected the pay per click method, because it is a cheap and effective instrument for promoting the company. As a provider I selected the Sklik and Google Adwords. For this service the company pays only when a potential customer visits the company's web page by clicking on the advertisement. As a keyword I selected electrical installation (elektroinstalace), electrical installations of health centers, electrician in Prague and more, because these are the most searched words related to the firm. I set up the highest possible day costs for 330 CZK which equals to 10 000 CZK per month but only if there is at least ten visitors of the web page per day.

For the sales promotion I suggested to produce sale coupons for 10 % off the final price. The sale will be limited by time period. The sale is there only to attract potential clients, because the costs are actually close to none. The company will raise the normal price by 10 % and will give the discount for 10 % so the final result will be zero. But that the potential customers do not know. The costs for printing out the

coupons will also be close to zero because they will be printed in the office of the company and there will be a limited amount of them.

The personal selling is does not bring extra costs because it is done within the normal salary of the personnel. The personal selling should be based on introducing the companies past projects, and its cooperation with long term clients from the field of construction services such as the firm Sapro, or the valuable long term cooperation such as the one with NH Hospital.

7. Conclusion

The aim of this diploma thesis was to analyze the current situation of EL-PROM s. r. o. by analyzing the internal and external environment of the company. This aim was fulfilled by using the marketing tools marketing mix analysis and analysis of the external environment (PEST).

The aim to propose any marketing strategy for EL-PROM s. r. o. was fulfilled by using the SWOT analysis for which the data gained from the analysis of internal and external environment were used. The outcome of the SWOT analysis was the optimal strategy for the firm.

The last aim was to help the company to gain new clients from the field of construction services. To fulfill this aim the questionnaire was sent out to gain necessary information about the selective behavior of the construction companies. Based on the gained knowledge a suggestion for improvements in promotion was set up.

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Enclosures

Enclosure 1 – Questionnaire; 2 pages

Enclosure 2 – Evaluation of the questionnaire; 1 page

Enclosure 1

Dear Sir or Madame,

My name is Jiří Erben and I am a student of the Czech University of Life Sciences in Prague. In terms of my Diploma thesis I investigate, whether the construction service companies use a contractor for electrical installations, and if they do, what are their preferences for the electrical installation firms. Please take a moment of your time to respond this questionnaire.

1. What is the size of your company?

- a) Up to 20 personnel
- b) Up to 50 personnel
- c) Over 50 personnel

2. How does your company ensure the electrical installation within the construction service?

- a) Do not ensure el. installation
- b) By our personnel
- c) Partly by our personnel, partly by external contractor
- d) By permanent external contractor
- e) By external contractor selected for each project

If your company does not ensure the electrical installation within your services then you can finish responding this questionnaire. Thank you for your time.

3. If your company ensures the electrical installation as a part of your service, how do you search for the contractor?

- a) We have a permanent contractor
- b) Tendering of each project
- c) On the internet
- d) Based on the reference
- e) Advertisement in professional literature
- f) Advertisement on radio
- g) Advertisement in television
- h) Other option:.....:

How important are for your company the following criteria for selecting a contractor of electrical installation? (Points: 1- little important, 5- very important)

4. Price of realization.

Little important 1 2 3 4 5 Very important

5. Length of the proposed duration.

Little important 1 2 3 4 5 Very important

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6. Reference contracts.

Little important 1 2 3 4 5 Very important

7. Basic qualification. (§ 53)

Little important 1 2 3 4 5 Very important

8. Possibility to choose the terms of payment.

Little important 1 2 3 4 5 Very important

9. Range of the services. (from projection to revision)

Little important 1 2 3 4 5 Very important

10. Warranty and after warranty service.

Little important 1 2 3 4 5 Very important

11. Time period of activity on the market.

Little important 1 2 3 4 5 Very important

12. Quality certification ČSN EN ISO.

Little important 1 2 3 4 5 Very important

13. Amount of insurance.

Little important 1 2 3 4 5 Very important

14. No debts of the company.

Little important 1 2 3 4 5 Very important

15. Technical background of the company.

Little important 1 2 3 4 5 Very important

16. Size of the company based on the financial turnover

Little important 1 2 3 4 5 Very important

17. Brand awerness.

Little important 1 2 3 4 5 Very important

Thank you for your time.

Enclosure 2 – Evaluation of the questionnaire

