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Analysis of JŠ Miramare Moravia, s.r.o. Marketing Communication

(bakalářská práce)

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Angličtina se zaměřením na aplikovanou ekonomii

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PROHLÁŠENÍ

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ABSTRACT

My bachelor thesis is focused on the marketing communication strategy of JŠ Miramare Moravia, s.r.o. in Olomouc. The main aim of the theoretical part is to provide a basic theory concerning the marketing communication mix development within a firm. In the practical part I would like to analyse a current promotional mix of JŠ Miramare Moravia, s.r.o. and suggest a suitable communication strategy that would respect the school's specific needs and also a theory that I introduced in the first part of my bachelor thesis.

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INTRODUCTION

Currently there is considerable competition in the provision of services in language learning, therefore, it is essential for any language school to plan carefully the marketing communication strategy. In spite of the fact that the language school does not want to employ professional services that would help to base the promotion on market research of public needs and wishes, the school should take into consideration several steps that would help create efficient communication with the potential customers. In order to be successful, it is essential, for instance, to know what aims the school wants to achieve, what the audience wants the school address, what communication channels should be applied, and how much money should be put into promotion.

As for my bachelor thesis, I chose JŠ Miramare Moravia, s.r.o. language school to analyse its current marketing communication mix and also help to suggest a promotional strategy for the 2010/2011 academic year. In the theoretical part I would like to provide information concerning the creation of the efficient marketing communication mix and also describe its elements. In the practical part I will provide analysis of the current JŠ Miramare Moravia, s.r.o. promotional strategy and along with the director Mgr. Jitka Bajgarová I will also examine its strength and weaknesses. Considering all the established information I try to suggest the best possible marketing communication mix for the 2009/2010 academic year that would help the school to overcome its current obstacles.

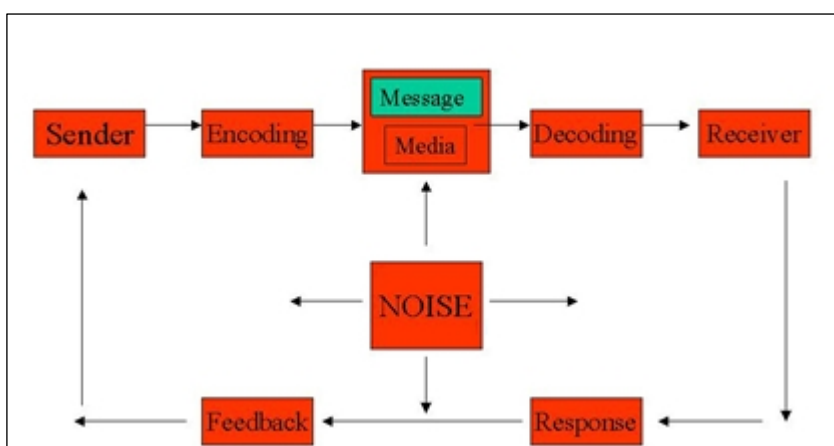
I. THEORETICAL PART

1 THE COMMUNICATION PROCESS

Before starting to create company's marketing communication, it is necessary to learn how the **communication process** works and how it can be applied to promotional strategy. Without proper understanding of marketing communication principles, marketers can easily fail in effectively addressing customers.

1.1 Steps in developing effective communication

Kotler (1996, p. 687) introduces nine basic **elements of the communication process**: sender, encoding, message, media, decoding, receiver, response, feedback, and noise. First, communication process starts with a sender encoding a message into symbolic form and transmitting it through a chosen communication channel. In terms of marketing communication, a marketer translates a message into understandable terms and sends it through media such as television, newspaper, or the internet to a customer. Second, a receiver decodes a meaning of the symbols that were sent in the message and reacts to it. As for marketing communication, a customer interprets the message, evaluates its effectiveness and responds back to the marketer. (Boone, 2002, p. 458)



Nevertheless, the process of communication does not always work as smoothly as presented. It can be spoiled by various interferences that can reduce effectiveness of the transmitted message. These noises present situations in which marketers, for example, fail in addressing their desired audience, choose the wrong media, or forget to develop feedback channels. Furthermore, it is very important to know that a sender and a receiver must have a so called mutual **field of experience**. For instance, as Berkowitz (1994, p. 497) explains, *“Some of the better known communication problems have occurred when U.S. companies have taken their message to cultures with different fields of experience. Many misinterpretations are merely the result of bad translations.”* It means that both the sender and the receiver have to share a similar understanding and knowledge. Without considering different origins, attitudes, values, and beliefs they are not likely to understand each other.

To conclude, to be successful in promotional strategy it is essential to understand the individual steps of the communication process. At first, marketers have to choose the target audience and decide what response they want to receive. They also cannot forget to encode their message in a way that would be understandable for their customers. Besides, they have to take suitable media into consideration and develop efficient feedback channels that would deliver a message back to them. In connection with knowledge of communication process, the marketers are able to create a framework for effective promotional mix that will be discussed in the following chapter.

2 MARKETING COMMUNICATION

2.2 Promotional mix and its place within marketing

Broadly defined, the primary goal of the marketing is optimization of **marketing mix**. The basic components of the marketing mix are, in general (Foret, 2001, p. 30):

- Product
- Price
- Place
- Promotion



By successfully combining of the elements that are often referred to as the marketing mix decision variables or, in brief, the four P's, marketers can maximize effectiveness and results of their organizations on the market.

As for **marketing communication** (promotion), it is considered to be one of the most essential subsets of the marketing mix. As Kotler (1996, p.701) presents, “*Modern marketing calls for*

more than just developing a good product, pricing it attractively, and making it available to target customers. Companies must also communicate with their customers, and what they communicate should not be left to chance.” In other words, marketing communication is, undoubtedly, the most essential part of a company’s overall mission. Marketers should, therefore, wisely consider the way to address the customers so that they are able to satisfy their needs and simultaneously increase the performance of the organization.

To communicate with customers, an organization can use different tools of marketing communication. According to Kotler (1996, p. 701), the basic **marketing communications components** are:

- Advertising
- Personal selling
- Sales promotion
- Publicity

As Berkowitz explains (1994, p. 496), “*All of these elements can be used to inform prospective buyers about the benefits of products (advertising), persuade them to try it (personal selling), and remind them later about the benefits they enjoyed by using the product (sales promotion).*” In other words, marketers should be aware of all the ways of marketing communication that can help them to inform the public about the goods being offer. In addition, they should be able to consider the balance of communication components so that they can maximize the profit of their organization.

2.2 Characterization of the promotional mix components

It was presented above that it is essential for marketers to consider all the possible ways of marketing communication as well as its optimal balance. However, to communicate effectively with customers, marketers also have to be aware of the specific **character** and **function** of each communication component and also about their **strengths** and **weaknesses**.

Advertising

According to Nickels (1997, p. 534), *“Advertising is any paid form of non-personal communication link, initiated by an identified marketer, to establish or continue exchange relationship with customers and, at times, with other stakeholders.”* In simple terms, **advertising** can be characterized as the transmission of a message to a large number of people through a single communication tool, especially media (newspapers, magazines, radio, television, billboards, the Internet). It is definitely one of the most powerful communication components of these days. Together with sales promotion it is even publicly perceived as marketing itself. As Canon (1996, p. 335) explains, *“When asked to describe marketing, most consumers would start off with specific advertisements they have seen and offers they have taken up or rejected.”* Therefore, marketers should be aware of advertising success that can enable them access to the perspective buyers, and they should reasonably invest into it.

As for **strengths** of advertising, it is a much quite a quick way of communication in comparison with the remaining components of the promotional mix. Advertisers can also have great control over the message that is transmitted and they can also affect a huge number of potential consumers in a relatively low cost per capita.

(Marketing teacher, 2010, online) On the contrary, as Pride (1997, p. 401) argues, *“Even though the cost per person reached may be low, the absolute dollar outlay can be extremely high, especially for commercials during the popular television shows.”* It means that high cost of advertising can often reduce its usage within the promotional mix. Berkowitz (1994, p. 499) also points out several **weaknesses** of advertising. Non-personal contact with customers brings no immediate feedback, therefore, marketers cannot know if their message was seen and understood by the targeted consumers. Therefore, marketing research is necessary to be carried out before making concrete advertisement public.

Personal selling

Personal selling presents, undoubtedly, one of the most important tools within marketing communication. Nickels (1997, p. 592) defines it as *“an interpersonal communication process in which a marketer’s representatives identify prospects, determine needs, present product information, gain commitment, and follow up after sales to maintain customer relationship.”* In brief, personal selling can be described as an effort of an individual salesperson to sell a product, service or solution to a customer. Nevertheless, role of the personal selling is currently more than only applying pressure to customers to buy a product. As Nickels (1997, p. 592) points out, *“Marketers have come to see personal selling as the process of getting and keeping customers by helping them make purchases that satisfy their needs over the long term.”* In other words, there is a huge difference between merely selling a product and helping customers choose what would be the best purchase for them. Therefore, the sales representative should learn how to listen, answer questions, explain the one-price policy, and encourage comparison

shopping that would help the customer to buy. (McCarthy, 1993, p. 444)

Furthermore, every salesperson should take into consideration the **objectives** that he/she wants to achieve in personal selling process. According to Boyd, there are a variety of objectives. They can be focused, for instance, on winning acceptance for a new product by existing customers; developing new customers for existing products; maintaining the loyalty of existing customers by providing good and services; facilitating future sales by providing technical services to potential customers; facilitating future sales by communicating product information to potential customers or influencers; and gathering marketing information. (Boyd, 1995, p. 387)

As for **strengths** of personal selling, face-to-face communication with a potential customer is very advantageous. In comparison with, for example, advertising, personal selling is more persuasive and can meet the customer's unique needs and interests. (Berkowitz, 1994, p. 499) Furthermore, the sales representative receives immediate feedback and, seeing or hearing the potential customer's reaction, he/she can change the tactic. Moreover, transmitted messages are often more complex and the customer can be precisely informed and educated about goods and services that are offered. On the other hand, personal selling is considerably more expensive in comparison with other components of the promotional mix, which is, undoubtedly, the greatest **weakness**. Second, the seller can only address a relatively small number of prospective buyers.

Concerning the question of the proportion of resources that should be invested into personal selling, it depends heavily on communications tasks to be accomplished. According to Boyd (1995, p. 384), communications tasks are influenced mainly by *'the business competitive strategy, its resources, the number and the type of*

customers in its target market, and the characteristics of goods and services being sold.” Since personal selling is relatively costly, it is not advisable for the company to invest the majority of its resources into it, unless their achievement in communication depends heavily on face-to-face communication.

Sales promotion

According to the American Marketing Association, **sales promotion** is defined as *“those marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness.”* (Boyd, 1995, p. 373) The main objective of personal selling is to speed up the sales process and increase sales volume by giving the customer an extra incentive to buy by stressing the price advantages of the product. Such inducement has an often short-term nature and it is used to persuade a customer to buy a product immediately. For instance, coupons with an expiration date often stimulate sales for their limited duration. (Berkowitz, 1994, p. 501) Due to its short-term nature, sales promotion was thus traditionally perceived as supplementary technique to other promotional mix components. However, Boone (2002, p. 509) argues that *“today marketers recognize sales promotion techniques as integral parts of many marketing plans, and the focus of sales promotion has shifted from short-term to long term goals of building brand equity and maintaining continuing purchases.”* One way or the other, it is not advisable for a company to base its campaign solely on sales promotion. To achieve good results, the company should combine it with other elements of the promotional mix, for instance advertising or personal selling. There are lots of **sales promotion techniques** that are used by marketers, for example, sampling, couponing, rebates, premiums, price-off promotions, contests and sweepstakes, and trade promotions. All of them are supposed to be original and creative to attract consumers' attention. (Pride, 1997, p. 403)

As for sales promotional **strengths**, its flexibility and short-run nature are very advantageous. Its **weakness** could be seen in the ease of duplication and abuse.

Publicity

According to Boone (2002, p. 516), **publicity** can be defined as “*non-personal stimulation of demand for good, service, place, idea, person, or organization by unpaid placement of significant news regarding the product in a print or broadcasting medium.*” Despite the fact that companies do not pay for space in a mass medium, they usually have to employ marketing personnel who are then responsible for publicity. Consequently, there is always an indirect payment for it. Public relation is then responsible, for instance, for creating and submitting of publicity releases, printing and mailing the cost, and related expenses. (Berkowitz, 1994, p. 500) The main objective of publicity is positive perception of an organization in the mind of their public. Being aware of it, companies should wisely build and maintain their goodwill.

As for **strengths**, publicity creates credibility for the advertising to follow and thus presents valuable supplement to other promotional mix elements. In other words, customers are more favourable to believe the story about the company's product or service when they come from the communication media instead of the sponsors. On the other hand, there is one major **weakness** concerning publicity. As Berkowitz (1994, p. 500) emphasises, “*With publicity there is little control over what is said, to whom, or when.*” In short, a company has no guarantee that information about its product or service, which is unpaid, will be broadcasted at the arranged time so that the targeted audience can see it.

In addition to advertising, personal selling, promotion, and publicity, **direct marketing** has recently become one of the fastest growing promotional mix elements. Marketers can reach their

customers via interactive electronic media, direct mail, telemarketing, infomercials, and direct-response advertising. (Boone, 2002, p. 468) The greatest advantage of direct marketing is its interactive nature and ability to reach the global market.

To conclude, to create a successful marketing strategy, promotional activities cannot be omitted. Nevertheless, it is essential to consider the original character and function of each marketing communication element and be simultaneously aware of both their strengths and weaknesses. As was presented above, advertising addresses a great number of people and can arouse awareness of the company's products, services, and ideas. Omitting advertisement, it would be very difficult, expensive and certainly time consuming to succeed in personal selling. On the contrary, people tend to believe in the credibility of publicity instead of advertising. As for sales promotion, it presents a considerable supplement to both advertising and personal selling.

3 DEVELOPING THE PROMOTION MIX

As was presented in the previous chapter, there are four possible promotional mix elements (advertising, personal selling, sales promotion, publicity). Each of them has unique character as well as specific strengths and weaknesses. In order to develop effective communication and maximize informational and promotional impact, marketers thus have to consider several steps in their **decision process**.

3.1 Decision sequence

Boyd (1995, p. 355) divides decision process into six steps:

- Setting the promotional objectives
- Designing the message
- Selecting the communication channels
- Preparing the promotion budget
- Choosing the promotion mix
- Evaluating the results

Setting the promotional objectives

The main objective of all communication efforts is, naturally, generating an action from customers and prospects. However, each component of marketing the communication mix serves to accomplish its own specific **objective**. As Pride (1997, p. 404) points out, *“If company’s objective is to create mass awareness of a new*

convenience good, such as breakfast cereal, its promotion mix probably leans heavily toward advertising, sales promotion, and possibly public relations. If company hopes to educate consumers about the features of a durable good, such as home appliance, its promotion mix may combine a moderate amount of advertising, possibly some sales promotion, efforts designed to attract consumers to retail stores, and great deal of personal selling because this method is an excellent way to inform customers about these types of products.” In general, marketers have to first set organization’s promotional objectives and then wisely select the corresponding communication mix elements.

According to Boone (2002, p. 461), objectives of promotion are following: providing information to consumers and others; increasing of demand; differentiation of a product; accentuation of a product’s value; and stabilization of sales.

Designing the message

In practice, **designing the message** is simply an effort to find the best way of presenting company’s persuasive ideas to customers and simultaneously achieve the set promotional goals. These established objectives then guide the design of the overall message. Besides, as follows from communication process that was covered in the chapter 1, the good message should fulfil three main tasks: gain the receiver’s attention, achieve understanding between both receiver and sender, and stimulate the receiver’s needs while suggesting an appropriate method of satisfying them. (Boone, 2002, p. 459) These tasks are closely related to the **AIDA concept** (attention-interest-design-action) that describes process of the potential customer’s decision making. As Kotler (1996, p. 691) explains, “*Ideally,*

the message should get Attention, hold Interest, arouse Desire, and obtain Action.” Therefore, the marketers should consider suitable content and structure, as well as the format of the message that would inform the customer and/or persuade him/her to purchase a product. To sum up, creating an effective message is very a demanding task. Since there is a long way between awareness of a message and purchase of a product, marketers have to carefully consider what is to be said and how to say it.

Selecting the communication channels

As was written in chapter 1, as follows from the communication process, a marketer encodes the messages about the product or service into symbolic form and sends it to a customer who interprets the message. In order to transmit a message, the marketer can currently use various selections of **communication channels**. Kotler (1996, p. 695) divides them into two groups: personal (face-to-face communication, communication through the telephone or the email) and non-personal (newspapers, magazines, television, billboards). Both personal and non-personal communication channels have their own characteristics and are used to send message about different products. However, as Boone (2002, p. 501) emphasizes: *“The media selected must be capable of accomplishing the communications objectives of informing persuading, and reminding potential customers of the good, service, person, or idea being advertised.”* This means that by choosing a wrong medium for the message, marketers can spend lots of money for advertising that would miss the targeted audience and would not get a desirable response. Therefore, selection of a suitable medium is one of the most important decisions in developing the promotional mix.

Preparing the promotional budget

It is one of the most demanding tasks of every company to make decisions about **promotional budget**. Marketers must not only consider how much money to spend on promotion, but they have to come up with budget composition as well. As Boone (2002, p. 478) explains, “ *Business-to-business marketers generally invest larger proportions of their budgets in personal selling than in advertising, while the reverse is usually true of most producers of consumer goods.*” In short, the promotional budget depends naturally on company’s financial resources as well as on the type of business and set the company’s objectives. Hence the optimal situation arises when the company’s allocated promotional funds increase promotional expenditures. Nevertheless, it is not easy to determine an ideal sum to be invested in promotion. As Wanamaker (Kotler, 1996, p. 699) said, “*I know that half of my advertising is wasted, but I don’t know which half. I spend \$2 million for advertising, and I don’t know if that is half enough or twice too much.*” In fact, the companies can hardly pinpoint the optimal amount of money to be invested. However, there are several methods that can help set the total budget for promotion: percentage-of-sales method, fixed-sum-per-unit method, meeting competition, and task-objective method. (Boone, 2002, p. 481) In other words, marketers can, for instance, watch their competition promotional strategies while thinking of their promotional budget, invest money that they can afford, or follow their promotion objectives. All those methods are mostly determined by the managers who set the total budget and then allocate various amounts to different promotional mix components. (Boyd, 1995, p. 356)

Choosing the promotion mix

As for strengths and weaknesses of the **promotion mix**, they were broadly discussed in chapter 2. However, the marketers should also consider optimal blending of advertising, personal selling, promotion and publicity in order to achieve set promotional objectives and appropriately allocate company's resources. As Boyd (1995) explains, *"For example, the firm with a high sales growth is almost compelled to spend more on its promotional mix and would emphasis advertising and sales promotion Small, start-up organizations tend to rely heavily on sales reps who work on commission."* In order to make a right decision when choosing an optimal promotional mix, marketers need to gather mainly information about a firm's objectives and resources, nature of the market, nature of the product, stage in the product life circle, and other elements in the marketing mix. (Boyd, 1995, p. 474) If the marketers want to succeed with the promotional strategy, they must also carefully plan the **timing** of the promotional mix elements. In the introductory stage of a purchase, advertising matters the most. It helps to create awareness of a product among people before they decide to buy it. At the time of purchase, seller's skills are more important than advertising and needed for persuading a customer to buy a product. After closing the sale, sales promotion seems to be a very effective tool for affirming the customer about his/her decision. (Boone, 2002, p. 478)

Evaluating the results

Finally, it is necessary to find out whether the promotional strategy was successful and to what extent it managed to accomplish the set objectives. As Shimp (2000, p. 43) emphasises, *"Only by*

systematically setting objectives and measuring results is it possible to know whether marketing communications programmes are working as well as they should.” In other words, the marketers want to know if their sales have risen as a result of their particular marketing communications strategy. In order to find this out, they use so-called marketing research. (Boyd, 1995, p. 359) Moreover, it is essential for marketers to realize what exactly they want to measure. Apart from the sales volume, whose results can be proved in rather short terms, the marketers can also measure, for example, the enhancement of a customers’ perception of value in a product, brand, or organization. Nevertheless, it takes more time to find out the results.

Decision making processes were outlined in six steps above. However, lots of experts introduce an additional step that should not be omitted while designing successful promotional strategy. According to Nickels, it is also essential to select **target audience**. (Nickels, 1997, p. 521) By addressing an inappropriate audience, the markets can easily fail with their promotional strategy because they do not meet customers' needs.

To sum up, the design of a successful promotional strategy is a complex process that has its own rules. Before making it public, the marketers have to consider every step in great detail so that they avoid mistakes that would lead to failure.

II PRACTICAL PART

4 AIMS OF THE BACHELOR THESIS

4.1 General aim

The main aim of a bachelor thesis is an analysis of the current promotional mix of JŠ Miramare Olomouc and creation of a possible communication strategy for the academic year 2009/2010 that would respect the school's financial possibilities and situation on the market.

4.2 Individual aims

- To study appropriate literature and gather information about marketing communication.
- To discover basic principles of marketing communication and do their synthesis.
- To analyse the school's current promotional mix.
- To suggest a suitable promotional strategy that would respect the school's specifics.

5 METHODOLOGICAL BASIS

- In order to accomplish JŠ Miramare Moravia's communication mix analysis, the field study method and introspection were applied. As for technique, interview was chosen as the best way of gaining information.
- In order to analyze the school's communication via the internet, the electronic observation method was chosen.

6. ANALYSIS OF JŠ MIRAMARE MORAVIA, S.R.O.

This chapter provides the detailed analysis of the contemporary promotional mix of JŠ Miramare Moravia, s.r.o on the basis of information written in the theoretical part of the bachelor thesis. Analysis will then serve as a source for the promotional mix suggestion for the 2010/2011 academic year.

6.1 History of JŠ Miramare Moravia, s.r.o.

JŠ Miramare, s.r.o. was founded by **Mgr. Miroslav Čonka** in 2002 in **Brno**. It started its operations on November 26 by entering the Trade register. As for subject of enterprise, it included several trade licenses mainly for Language teaching, translation and interpretation, and other educational activities. Since 2002 Miroslav Čonka has managed to establish 8 branches of JŠ Miramare, s.r.o. in 7 major Czech cities (Praha, Brno, Ostrava, Olomouc, Frýdek-Místek, Zlín, Třebíč). JŠ Miramare, s.r.o. thus soon became the biggest language school in terms of the number of students and lectures within the Moravian region.

It offers a wide range of individual, group, and firm courses that are taught in 33 languages and it is an exclusive holder of City & Guilds accreditation that allows passing of the international examination at the place of JŠ Miramare language school in Brno. Due to economic depression in 2008/2009, Miroslav Čonka was unable to conduct the whole company and asked the managers of local branches to buy their shares in JŠ Miramare, s.r.o.

As for **Olomouc**, the branch was founded in the 2007/2008 academic year. The current owner, **Mgr. Jitka Bajgarová**, took over the company's management in July 2008 and led it out of the

impending bankruptcy that was caused by the improper conduct of the previous director. In October 2009 Ms Bajgarová was asked by Miroslav Čonka to buy her share in JŠ Miramare, s.r.o but first she joined FWR, s.r.o that provided her with the sufficient financial resources to enable her to buy the share. The FWR, s.r.o. was then renamed as JŠ Miramare Moravia, s.r.o.

Currently, the language school in Olomouc has 250 students who attend individual and group courses focused mainly on general public and high school students who were not accepted to universities. It offers classes in 15 languages ranging from the common (English, Germany, Spanish, French) to exotic ones (Japanese, Swedish, Arabic). Furthermore, the school provides proofreading, translating and interpreting. The company's organizational structure consists of a manager (Mgr. Jitka Bajgarová), an administrative person, and 40 teachers.

6.2 JŠ Miramare Moravia, s.r.o. current strategy and objectives

As for JŠ Miramare Moravia's current **strategy**, first Mgr. Jitka Bajgarová focuses on providing **high-quality services** in the areas of language teaching, translating, and interpreting. Hence, she employs only professionals who can proof appropriate qualification, practice and soft skills. As Mgr. Jitka Bajgarová emphasizes, *"All my success depends on the quality of my employees. I realize that a good employee is an advantage against competition. Quality of services means more than quantity to me."* Therefore, she offers her employees various possibilities of further education so they can increase professional knowledge and skills.

Second, it is likely that the satisfied customer will come to study in JŠ Miramare Moravia language school again, and more importantly, he/she will recommend it to his/her family, friends, and co-workers who then will come and increase the number of students in this school. Thus, Jitka Bajgarová focuses on creating a **friendly atmosphere** that should evoke an idea of home or a circle of friends. As she points out, *“This word of mouth recommendation is an essential part of my advertising strategy. I want to create something like a ‘Spirit’ of the school where everybody would feel relaxed and welcomed. Thus, it is important to know every customer by his/her name.”*

Third, she would like to focus on **different fields of activity** such as language teaching in companies in the Olomouc region.

As for company’s **objectives for 2010/2011** academic year, Mgr. Jitka Bajgarová would like to focus on:

- Increasing the number of students from the current 250 to 400.
- Promoting the name of JŠ Miramare Moravia in Olomouc region by improving the internet pages and creating a profile on the Facebook.
- Possibilities of language teaching in companies in the Olomouc region.
- Opening new courses for school children.
- Opening new Spanish and German language ‘Pomaturitní studium’.

- Increasing the knowledge and skills of current employees by providing them further educational opportunities.

6.3 Analysis of JŠ Miramare Moravia, s.r.o. promotional strategy

Concerning the current **promotional strategy**, Mgr. Jitka Bajgarová decided to invest a considerable part of the school's budget into promotion. Since JŠ Miramare Moravia is a relatively new language school in the Olomouc region, it hasn't brought its name to people's notice yet. As Mgr. Jitka Bajgarová says, "*The number of students who reacted to our promotional efforts is still higher than the number of students who came on the basis of word of mouth recommendation.*" Consequently, she is about to reduce the operating costs to the minimum and invest money primarily into different forms of advertising.

Promotional objectives

Promotional objectives are:

- Creating awareness of the school's existence among people of the Olomouc region mainly via improved internet pages and Facebook.
- Simplified communication among customers, teachers, and administration due to special software Moodle that would contribute greatly to better co-operation among students, teachers, and management.

- Increasing demand by application of different forms of promotion such as billboards that would gain possible customers' attention.
- Providing information to customers about new products and services via direct mailing.
- Providing support for advertising by introducing the new sales promotion services such as mobile dictionaries or Bonus cards that enable customers to purchase services in different companies with a discount.
- Making contact with companies in the Olomouc region.

Target audience

As Mgr. Jitka Bajgarová points out, *“We do not differentiate between rich and poor. Anybody who wants to study languages is welcomed.”* In other words, JŠ Miramare Moravia is focused mainly on general public. Nevertheless, in 2010/2011 academic year, the school will focus on:

- Companies in the Olomouc region.
- School children.
- People who want to devote their leisure time to improving their language knowledge.

Designing the message

Mgr. Jitka Bajgarová wants people to perceive JŠ Miramare Moravia Olomouc as the school that provides:

- High-quality language teaching, translating, and interpreting.
- A Friendly and helpful atmosphere where every customer is treated individually according to his/her wishes and needs.
- An attractive offer of exotic languages such as Japanese, Chinese, Swedish, Norwegian, or Arabic that are taught by native speakers.

Current selection of communication channels

Besides essential personal communication with the customers at the place of the school, Mgr. Jitka Bajgarová invests a great deal

of money into the non-personal communication channels that should address the general public. Currently, she uses public notice boards that are either paid for or free of charge, leaflets, and also the internet.

Current selection of promotional mix

Mgr. Jitka Bajgarová is aware of the fact that **personal selling** comprises the most important part of the school's contemporary promotional mix success. All the employees are thus reminded of their responsibility to advertise the school's products and services. Therefore, the **administrative worker** is taught how to treat the customers in a pleasant and respectable way so that they would be more willing to pay for the language course in Miramare Moravia rather than in a different language school. Her duties also include the creation of vivid, interesting and informative boards that should catch the clients' attention and persuade them of the school products' excellence. Furthermore, the **teachers** are also encouraged to inform their current students about the offer that is prepared for the following year. Since the students are used to their teacher they usually trust his/her opinion and let themselves be persuaded to buy a course for the next year. Therefore, using the teachers for advertising proved to be a very efficient way of promotion. Moreover, Mgr. Jitka Bajgarová visits regularly schools and companies in the Olomouc region and tries to persuade the managers so that they employ JŠ Miramare Moravia's services or at least recommend the school to their students and employees. Speaking with people in managing positions thus needs required soft skills that would persuade them to see the school's advantages.

Besides, Mgr. Jitka Bajgarová puts a reasonable amount of money into **advertising**. It proved to be a very effective tool of attracting potential customers in the previous two years. Therefore, she wants to employ this strategy in 2010/2011 academic year and also find out new ways to address a wider general public. As for current ways of advertising, JŠ Miramare,s.r.o. in Brno has recently provided informative **leaflets** for each of its branches. It co-operates with *Brno-Rosice Printing Office* that annually distributes about 1 million leaflets that are spread around the whole Czech Republic and inform people about the school's offer. Concerning the Olomouc branch, it receives annually 240 thousand of these leaflets that are printed according to the school's needs and distributed mainly at schools and various festivals. As for their success, approximately 60 % of the new customers of JŠ Miramare Moravia started attending language courses on the basis of these leaflets. Therefore, Mgr. Jitka Bajgarová would like to continue in this promotional strategy in the following year as well.

Last year Mgr. Jitka Bajgarová has also employed services of *Profit* advertising agency that provides **public boards** for posters of any kind. She ordered 50 posters that were supposed to be displayed in 94 places in Olomouc. She invested approximately 8.000 CZ into public boards, however, it proved to be an inefficient way of advertising. Since there are so many posters on the board and it lacks good arrangement, the people can easily overlook desired advertising. As Mgr. Jitka Bajgarová emphasises, "*Co-operation with the Profit agency was a waste of money.*" It means that for the following year Mgr. Jitka Bajgarová is ending co-operation with the *Profit* advertising agency and starting to think about new ways of advertising such as billboards.

Concerning **sales promotions**, Mgr. Jitka Bajgarová tried various ways of providing advertisement using communication tools in last two years. For example, she provided a prize of discounted language courses in several raffles in the Olomouc region and thus gave winners an opportunity to attend any language course with a considerable discount. Nevertheless, this proved to be a loss. There were 40 winners, however, only 2 of them used the opportunity to attend the language courses in JŠ Miramare Moravia. Furthermore, Mgr. Jitka Bajgarová hired a stand in several Olomouc festivals, for example Majáles or Vizovické Trnkobraní, where she informed visitors about the possibility to attend language courses with a 15% discount. Similarly, this way of sales promotion proved to be a waste of money.

On the contrary, supporting the personal selling with small presents and discounts has been shown to be very efficient. For instance, students who possess an ISIC card or the people who buy a place in the course in time can obtain a considerable discount.

Currently, Mgr. Jitka Bajgarová is thinking about supporting the sale with the Bonus cards that will enable a holder to buy products of partnership companies with a discount. Furthermore, every customer of JŠ Miramare Moravia will have an opportunity to upload a bilingual dictionary into his/her mobile phone for free. Moreover, Mgr. Jitka Bajgarová is considering taking part in several educational festivals such as Evropský den Jazyků in Zlín, where she would like to hire a stand for approximately 5.000 CZ and inform the public about study opportunities at JŠ Miramare Moravia.

As for **direct mailing**, JŠ Miramare Moravia sends customers an offer with language courses via e-mail only twice a year. Nevertheless, Mgr. Jitka Bajgarová does not want to increase a number of e-mails in future. As she explains, *“In my opinion, people*

can be easily fed up with those e-mails that are frequent and unwanted. They can start perceiving them as a nuisance or annoying spam.”

On the other hand, the **Internet** has proved to greatly contribute to JŠ Miramare Moravia’s success in addressing people. The school provisionally shares the same domain as JŠ Miramare, s.r.o. in Brno:

www.jsmiramare.cz

Nevertheless, Mgr. Jitka Bajgarová prospectively wants to register her own domain that will be still accessible from the JŠ Miramare, s.r.o web page but will represent and serve solely the Olomouc school. Concerning the current web page, customers can find all information about the JŠ Miramare Moravia’s products and services. Customers can:

- Try a language test that will help him/her to choose a language course that will correspond with his/her language knowledge.
- Book the chosen language course on-line.
- Order course books that are essential for his/her studies on-line.
- Participate in various competitions that promise valuable prizes such as a discount for entering the language courses.

Promotional budget

As Mgr. Jitka Bajgarová says, *“I don’t usually plan how much money I want to put into advertising. However, I spent about 40% of an annual turnover on advertising last year. Promotional efforts are currently very essential for our language school, thus, I would like to invest approximately the same amount of money into advertising this year.”* It means that Mgr. Jitka Bajgarová spent about 640.000Kč on promotion efforts last year.

Evaluating the results

As for feedback of effectiveness of JŠ Miramare Moravia’s promotional strategy, Mgr. Jitka Bajgarová relies only on information that is gained from the customers. In spite of the fact that planning of promotion is based on intuition and momentary needs rather than market research and precise timing Mgr. Jitka Bajgarová does not plan to employ any professional agency to measure the results of promotion efforts.

6.4 Suggestion of JŠ Miramare Moravia, s.r.o. promotional strategy

Considering the promotional objectives, targeted audience and available financial resources Mgr. Jitka Bajgarová and I agreed to suggest the following promotional mix.

Creating the promotional mix

Creating awareness of the school's existence among people of the Olomouc region remains the most essential aim of JŠ Miramare Moravia, s.r.o. Since posters displayed by the Profit advertising agency proved to be inefficient, I agreed with Mgr. Jitka Bajgarová to use **billboards** with catchy advertising instead. As for the company that would be responsible for graphics, print and installation, we manage to find an advertising agency that will provide 7 billboards for approximately 80-100,000Kč. Those will be displayed on different places in the Olomouc region throughout the whole year. Since competition among the language schools in Olomouc region is considerable, Mgr. Jitka Bajgarová does not want to mention the name of the employed advertising agency.

In order to inform large public about the school's offer, it is necessary to create independent **web pages** and **Moodle programme** that will serve communication between the school and its customers. The web pages have to be efficient and interactive and it should be accessible for more than 800 people. As for money to be invested, Mgr. Jitka Bajgarová suggested approximately 300,000Kč. This amount should cover registration of the new domain, creation and design of the new web pages and the Moodle programme, production of the advertising banner and fees connected with the

costs for labour. There are lots of firms that provide web creation and design in the Olomouc region. Nevertheless, I would recommend, for example, *Redigy, s.r.o* or *Ivorius* web design agency that transparently present prices for individual services.

Distribution of **leaflets** with the school's offer at various schools and festivals proved to be a very efficient way of promotion. Mgr. Jitka Bajgarová thus suggested printing 500 thousand leaflets in *Brno-Rosice Printing Office* that has co-operated with JŠ Miramare, s.r.o for several years and has provided the school with discounts. The cost for one leaflet is 0,048Kč. As for Olomouc branch, the print will cost 24,000Kč.

The rest of the money will be invested into creation of the plastic **Bonus cards** that will enable the JŠ Miramare Moravia student to receive a considerable discount in the partnership firms I would recommend employment of *Printkart.cz* that will produce 500 cards for 5,000Kč. Furthermore, Mgr. Jitka Bajgarová is about to hire a stand at Evropský den jazyků in Zlín that will cost approximately 5,000Kč. Moreover, there will also be costs for further sales promotion efforts, such as presents for customers.

The total suggested budget will be approximately 400,000-500,000Kč that fits original Mgr. Jitka Bajgarová's idea. Since JŠ Miramare Moravia, s.r.o. has operated in the Olomouc market for several years it has managed to establish relationships with several companies that provide the school with services for favourable prices. Due to considerable competition in this field of business I cannot, unfortunately, write several names of those firms nor the favourable discounts.

CONCLUSION

Analysis of the current promotional strategy helped to reveal JŠ Miramare Moravia's operation and values that are closely connected with the choice of the marketing communication mix that depends heavily on personal selling and advertising. The entire decisions making process concerning promotion is based on previous experience and intuition and there is no need for external market research. Nevertheless, there are several weaknesses in the choice and quality of the promotional channels. For instance, the web pages are not well arranged and interactive and thus do not help the potential customers to find desired information. Furthermore, several ways of advertising such as posters proved to be inefficient and waste of money. Mgr. Jitka Bajgarová is aware of those shortages and she is willing to invest money into improvements. Undoubtedly, the school should use to its advantage the long-lasting co-operation with several companies in the Olomouc region that provides the school with the considerable discounts. This goes mainly for the new ways of advertising such as billboards on the public places within the Olomouc region or the creation of a community connected with the Bonus Cards. Nevertheless, the school's success depends heavily on the customers' satisfaction with the services. Besides advertising, the school should focus on personal selling that proved to be the best way of attracting customers within the general public and companies as well.

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APPENDICES

Appendix 1 – JŠ Miramare, s.r.o. logo

Appendix 2 – Extract from the business register

Appendix 3 - Example of a JŠ Miramare, s.r.o. banner

Appendix 1

JŠ Miramare, s.r.o. logo



APPENDIX 2

Extract from the business register

Tento výpis elektronicky podepsal "ČR - Krajský soud v Brně [IČ 00215724]" dne 4.8.2009 v 11:18:43 pro zákonem definovaného poskytovatele ověřeného výstupu (výtisku) z obchodního rejstříku. EPVid:tjtnqb7qnl17mqqb8r

V ý p í s

z obchodního rejstříku, vedeného
Krajským soudem v Brně
oddíl C, vložka 53565

Datum zápisu: 24. listopadu 2006

Obchodní firma: JŠ Miramare, s.r.o.

Sídlo: Brno, Masarykova 37, PSČ 602 00

Identifikační číslo: 277 09 591

Právní forma: Společnost s ručením omezeným

Předmět podnikání:

- výuka jazyků
- překladatelská a tlumočnická činnost
- pořádání odborných kurzů, školení a jiných vzdělávacích akcí včetně lektorské činnosti
- reklamní činnost a marketing
- zprostředkování obchodu a služeb
- velkoobchod
- specializovaný maloobchod a maloobchod se smíšeným zbožím

Statutární orgán:

jednatel: Libor Štourač, r.č. 780109/3861
Rosice, Dobrovského 1108, PSČ 665 01
den vzniku funkce: 24. listopadu 2006

Způsob jednání za společnost: Jednatelé jednají a podepisují za společnost samostatně.

Společníci:

Libor Štourač, r.č. 780109/3861
Rosice, Dobrovského 1108, PSČ 665 01
Vklad: 200 000,- Kč
Splaceno: 100 %
Obchodní podíl: jedno sto procent

Základní kapitál: 200 000,- Kč

----- Správnost tohoto výpisu se potvrzuje -----

Ověřuji pod pořadovým číslem *VBrn 2009*, že tato listina, která vznikla převedením výstupu z informačního systému veřejné správy z elektronické podoby do podoby listinné, skládající se z *1* listů, odpovídá výstupu z informačního systému veřejné správy v elektronické podobě.

Krajský soud v Brně

V Brně dne *4.8.2009*

Podpis

Razítko

Hana Lacinová
pověřená notářem



Údaje platné ke dni *04.08.2009* vložka *53565* v Brně

Strana: 1/1

APPENDIX 3

Example of a JŠ Miramare, s.r.o banner

Jazyková škola Miramare
Masarykova 37, Brno
tel.: 542 211 312
www.jsmiramare.cz

mira
City & Guilds
akreditované centrum
repatriální škola spolupracující instituce
City & Guilds Institute of London
el
jazyková škola

**Sleva 50% na veškeré kurzy pro veřejnost
pro všechny pomaturitní studenty!**

pomaturitní denní studium
2010/2011

| BRNO | Angličtina / Němčina | |
|--------------|----------------------|------------------|
| BONUS | Do 31.3. 2010 | 14 499 Kč |
| | Do 30.4. 2010 | 14 999 Kč |
| | Do 31.5. 2010 | 15 499 Kč |
| | Do 30.6. 2010 | 15 999 Kč |
| | Do 31.8. 2010 | 17 950 Kč |

možnost platby na splátky

Program na procvičování slovíček a jazykových frází do mobilních tel. a PC zdarma!

Já vím kde!
Masarykova 37, Brno,
hned u Hl. nádraží

miramare

jazyková škola 33 jazyků

miramare

www.jsmiramare.cz

RESUME

Hlavním cílem této bakalářské práce bylo zpracování tématu analýzy komunikačního mixu olomoucké jazykové školy JŠ Miramare Moravia, s.r.o a návrhu na jeho zlepšení v akademickém roce 2010/2011.

V první kapitole je popsán samotný proces a základní principy úspěšné komunikace mezi jednotlivými složkami komunikačního procesu. Další kapitoly jsou již věnovány výhradně marketingové komunikaci a jejímu postavení ve firemní strategii, ze které by měla vždy vycházet. Velký díl teoretické části je věnována popisu jednotlivých složek komunikačního mixu (reklama, přímý prodej, podpora prodeje, publicita) a hodnocení jejich kladů a záporů, které vycházejí z charakteru a stanovených cílů firmy. Čtenář dále nalezne doporučení, jak postupovat při tvorbě komunikačního mixu a jaké otázky si klást, aby budoucí strategie byla co nejefektivnější.

První díl praktické části se zabývá analýzou stávající komunikační strategie JŠ Miramare Moravia, s.r.o., která je z velké části založena na informacích poskytnutých ředitelkou školy Mgr. Jitkou Bajgarovou nebo získaných z průzkumu na internetu. Druhá část je věnována návrhu komunikačního mixu pro akademický rok 2010/2011, který taktéž vznikl ve spolupráci s paní magistrou Bajgarovou, a který tak odpovídá charakteru a finančním možnostem školy.

Společně s Mgr. Jitkou Bajgarovou se mi podařilo navrhnout inovaci komunikační strategie JŠ Miramare Moravia, s.r.o., která by oslovila veřejnost, která dosud o škole neslyšela. Podmínkou bylo zachování image a dobrého jména školy a také dodržení finančního limitu, který má Mgr. Jitka Bajgarová vyhrazen pro reklamu. Svým projektem jsem dokázala, že je možné dosáhnout úspěšného návrhu komunikační strategie, pokud je dodržen správný postup při

rozhodování o jednotlivých krocích budoucí komunikační strategie a je porozuměno rozdílnému charakteru a úlohám jejich složek.

ANOTACE

| | |
|--------------------------|---|
| Jméno a příjmení: | Tereza Malcharová |
| Katedra: | Anglistiky a amerikanistiky Ff UP Olomouc |
| Vedoucí práce: | Joseph Ference, Dr. |
| Rok obhajoby: | 2010 |

| | |
|------------------------------|--|
| Název práce: | Analysis of JŠ Miramare Moravia, s.r.o. Marketing Communication |
| Název v angličtině: | Analýza komunikačního mixu JŠ Miramare Moravia, s.r.o. |
| Anotace práce: | Bakalářská práce se zabývá analýzou stávající komunikační strategie JŠ Miramare Moravia, s.r.o a návrhem na jeho zlepšení v akademickém roce 2010/2011. Analýza i návrh strategie vychází předešlé teoretické části. |
| Klíčová slova: | Komunikační mix, komunikační strategie, reklama, podpora prodeje, osobní prodej, public relations |
| Anotace v angličtině: | My bachelor thesis is focused on the current JŠ Miramare Moravia, s.r.o marketing communication strategy and on suggestion of improvement that can be applied in 2010/2011 academic year. |
| Klíčová slova | Promotion mix, promotion strategy, |

| | |
|--------------------------------|---|
| v angličtině: | advertising, sales promotion, personal selling, public relations |
| Přílohy vázané v práci: | Příloha č. 1 – Logo firmy Příloha č. 2 – Výpis z obchodního rejstříku Příloha č. 3 – Příklad banneru JŠ Miramare, s.r.o |
| Rozsah práce: | 38 |
| Jazyk práce: | Angličtina |