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ESSENTIAL ASPECTS OF MARKETING COMMUNICATIONS IN DIGITAL ERA

For the full-time study form

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INTRODUCTION

We all meet with marketing communication every day and we usually do not realize it. Many people think that marketing communication is the same like supermarket or advertising. This understanding of marketing communication is incomplete and quite distorted, because it does not include all relevant forms of communication with the market in commercial and non-commercial environments. Sales? Leaflets? Telemarketing? Tasting? Billboards? Loyalty cards? Yes, all this and many other communication tools belong to the marketing communication that targets massively at customers every day. In marketing terminology, we use the term „marketing smog" for this phenomenon. It means that current customers are already immune to these tools, therefore it is necessary to look for other ways how to communicate with them, build a positive relationship and loyal approach to brands and products. It is not possible to say that traditional marketing communication tools are not applicable. They have and will continue to have meaning in the future, but it is necessary to focus on new media, personalization and customization of the offer, as well as the humanization of sales space. It is the best marketing communication direction if the company wants to distinguish itself thanks to an added emotional value.

The aim of this study book is to offer readers the current and comprehensive overview of the fundamentals, techniques and applications of marketing communications along with new perspectives on current practice in marketing communications in the consumer market, and provide actual examples in Czech and foreign environment. Study text is designed for undergraduate Czech and foreign students of full-time study and combined study, who have already completed an introductory course in marketing and want to expand their knowledge of various aspects of marketing communication. The textbook is divided into 14 chapters. The first two chapters are devoted primarily to theoretical basis of marketing communications. Chapters 3-9 discuss in detail the issues of marketing communication elements. Chapter 10 describes the very specific and current problems of selected new trends in digital period, unusual communication techniques and the use of non-traditional media in today's media market in order to get the attention of customers, which is becoming more and more troublesome for most companies. In Chapter 11, the planning of communication is explained. It is also necessary to pay attention to marketing communication planning and measurement and verification of the effectiveness of marketing communications, which can be found in Chapters 12 and 13. The last Chapter 14 deals with the international communications, its specifics and challenges.

When reading the study material, it is necessary to take into account that the interpretation of the concept of marketing communications is based on consumer market (B2C). Marketing communication of the industrial market (B2B) has of course its merits and specifics, but it will not be addressed in the study material. It is important to realize that the context of marketing communications is very large and it was not possible to deal with all aspects of marketing communications.

This second, expanded and updated edition is based on the Marketing Communication textbook published in 2014 and written by Ing. Kateřina Matušínská and Ing. Michal Stoklasa, Ph.D.

1 PRINCIPLES AND MEANING OF MARKETING COMMUNICATIONS

Marketing communication is an ever-changing field. New theories, new techniques, cultural changes and technological advances all combine to create a dynamic environment within which marketers try to ensure that their messages get through to their target audiences. (Blythe, 2003, p. 1)

1.1 COMMUNICATION

The communication is one of the most human of activities. The exchange of thoughts which characterises communication is carried out by conversation, by the written word and by pictures. *"Communication has been defined as a transactional process between two or more parties whereby meaning is exchanged through the intentional use of symbols."* (Blythe, 2003, p. 2)

The key elements here are that the communication is **intentional** (a deliberate effort is made to bring about a response), it is a **transaction** (the participants are all involved in the process), it is **symbolic** (words, pictures, music, and other sensory stimulants are used to convey thoughts). (Blythe, 2003, p. 2)

The communication process is the mechanism available to communicate with a target audience. Communication is more than simply sending a message. Communication is a two-way process, in as much as the message also needs to be received, understood and possibly acted on. There is the universal scheme of communication process (H. D. Lasswell – Power and Personality, 1948) that means **Who says What to Whom through Which channel with What effect?**

Communication is the sharing of meaning and requires five central elements: a sender, a message, a receiver, and the processes of encoding and decoding (see Figure 1-1). **The sender** may be a company or salesperson who has information to convey. This information, such as the particulars on a new weight reduction drink, forms **the message.** Consumers who read, hear, or see the message are **the receivers.** The message is communicated by means of a **media** (TV, radio, outdoor, Internet, salesperson etc.). (Berkowitz, Kerin and Rudelius, 1989, p. 435-436)

Figure 1-1: The marketing communication process
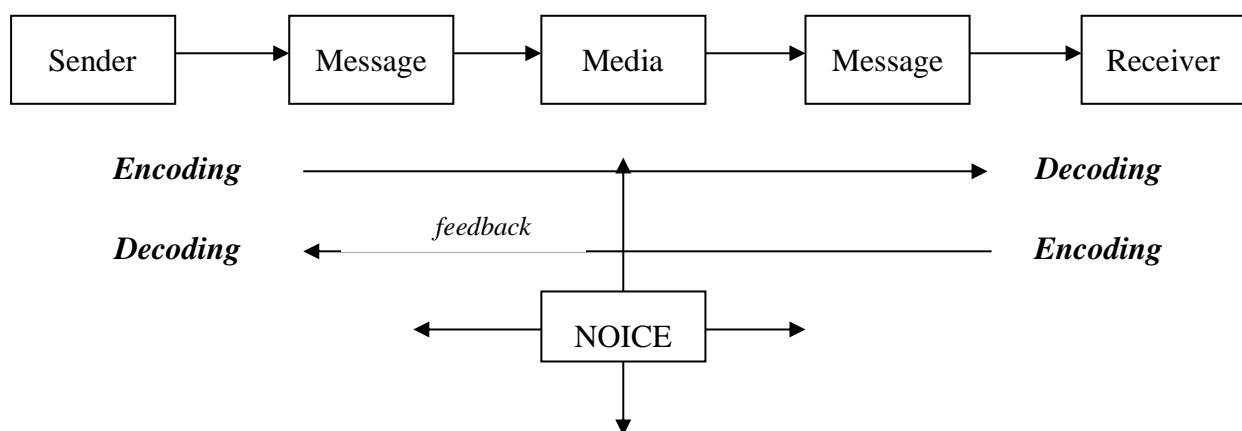
Source: Berkowitz, Kerin and Rudelius (1989, p. 435)

Encoding and decoding are essential to communication **Encoding** is the process of having the sender transform an abstract idea into a set of symbols. **Decoding** is the reverse process of having the receiver take a set of symbols, the message, and transform them back to an abstract idea.

Figure 1-1 also shows a feedback and noise. **Feedback** closes the communication flow from receiver back to sender and indicates whether the message was decoded and understood as intended. **Noise** includes extraneous factors that can work against effective communications, such as distorting message or the feedback received. Noise can be a simple error, such as a printing mistake that affects the meaning of a newspaper advertisement, or using words or pictures that fail to communicate the message clearly.

The process of communication is not always a successful one. Errors in communication can happen in several ways. The sender may not adequately transform the abstract idea into an effective set of symbols. Or a properly encoded message may be sent through the wrong channel and never make it to the receiver. Or the receiver may not properly transform the set of symbols into the correct abstract idea. Finally, feedback may be so delayed or distorted perform, truly effective communication can be very difficult. For the message to be communicated effectively, the sender and receiver must have a mutually shared field of experience – similar understanding and knowledge.

Opinion leaders and WoM

In the context of marketing communication process, it is necessary to mention two crucial terms such as **opinion leaders and Word of Mouth.**

It is opportunity to use the very topical word-of-mouth communications (in general way with support of electronic means we can say viral marketing). Word-of-mouth communications are characterized as informal, unplanned, unsolicited, interactive and bidirectional conversations. These recommendations provide information and purchasing support and serve to reinforce and individual´s purchasing decisions. Personal influence is important and can enrich the communication process (Fill, 2011, p. 42-43).

Informal non-profit sources (friends, family, neighbours, etc.) are credible because they don´t have any profits from the products they talk about. Therefore, oral communication is the most effective communication way. Informal non-profit communications resources are called opinion leaders. **Formal non-profit sources** have generally higher credibility than commercial formal sources. Formal non-profit resources are considered as "neutral" and are objective in evaluating the product. In this context we talk about opinion former. These are often journalists, critics, judges, government officials, analysts, specialists in a particular field, etc. (Foret, 2006)

Modelling consumer behaviour – AIDA

There are some basic questions that have to be answered in conjunction with advertising planning and research. No surprise that some authors have started to theorize about the effectiveness of various messages and their psychological impact on consumers. The theories have offered various models for this kind of work. For example, by using AIDA model and its modifications. (Kaftan, 2001, p. 234)

AIDA is an acronym used in marketing communication (advertising) that describes a common list of events that may occur when a consumer engages with a marketing communication (advertising).

- **A - Attention (Awareness):** attract the attention of the customer.
- **I - Interest:** raise customer interest by focusing on and demonstrating advantages and benefits (instead of focusing on features, as in traditional advertising).

- **D - Desire:** convince customers that they want and desire the product or service and that it will satisfy their needs.
- **A - Action:** lead customers towards taking action and/or purchasing.

Using a system like this gives one a general understanding of how to target a market effectively. Moving from step to step, one loses some percent of prospects.

Later versions of the theory have edited the AIDA steps. New phases such as satisfaction - satisfy the customer so they become a repeat customer and give referrals to a product (**AIDAS**) and confidence (**AIDCAS**) have been added.

One significant modification of the model was its reduction to three steps (CAB):

- **Cognition** (Awareness or learning)
- **Affect** (Feeling, interest or desire)
- **Behavior** (Action).

Along with these developments came a more flexible view of the order in which the steps are taken, suggesting that different arrangements of the model might prove more effective for different consumer-to-product relationships.

Additionally, as experts have examined this theory more defined practices and theories have been developed including the **T.I.R.E.A**. scale that focuses on breaking down the decision making process into more defined components. Each step focuses on a progressive journey through the decision making process.

- **T - Thought**
- **I - Interest (Desire)**
- **R - Risk (Evaluation)**
- **E - Engagement**
- **A - Action**

The Thought portion of the decision making process can occur randomly and be stimulated by a variety of stimuli but generates little of no attention by an individual. It simply creates an awareness of something but generate little or no interest. Similar to seeing food after one has become full after a meal... one may be aware of the food that is there but there is little need or interest in obtaining it. Interest occurs when one wants or needs something - hunger is an example. The level of interest (or desire) increases as hunger and or the wants and desires increase. Risk and it´s evaluation occur as interest increases. One may desire steak but withhold obtaining it due to cost, or other reasons (such as health related issues, etc.) Engagement - an emotional response when Interest and Desires exceed Risks. Action - a physical response to obtain what one wants and desires and is willing to assume the risks and/or costs in obtaining it.

The basic aim of marketing communications is to attract attention. That is the reason that many various original ideas come into existence. In practice, so-called **Teasing** (tease - irritating, misbehaving, provoking) is implemented in marketing communication campaigns. The aim of this concept is to draw customer´s attention in the longer term. It's actually a continuing communication, which is based on the story. The aim is to stimulate curiosity and desire to know what happens next.

1.2 MARKETING COMMUNICATION

Marketing communication can be regarded as a communication aimed at attracting the attention of the buying public to a certain firm or product and influencing the people´s behaviour to such an extent that they would seriously consider becoming the customers of the

firm and buyers of the product in question. The general theme is inducement and an underlying effort needed to arouse the interest of potential buyers, hence marketing communication is a universal name used to describe the ways in which firms get their message across to target groups and boost sales. (Kaftan, 2001, p. 227-228)

Marketing communication is closely related to marketing (the element of marketing mix – see Figure 1-2) and makes the customer the final decision maker of which products are selling. This also means that there needs to be a meaningful communication between the customer and the firm. Marketing communication can be viewed as the application of information collected during marketing research. At the end of the process, the company should be prepared to communicate its commercial message to its current and potential customers in an informative and persuasive way. Before any decision is made on the choice of the most suitable forms of promotion, the basic questions of communication have to be answered: (1) who are the receivers? (2) What is to be told? (3) By what means should the message be transmitted? (Kaftan, 2001, p. 227-228)

The term of marketing communication can be defined from two points of view. **Broader sense** means all planned and unplanned communications at all points of firm´s contact with current and potential customers (product packaging, brand image, price, point of sale, advertising, employee behavior, traditions, logo, colours, etc.). It is therefore appropriate in this context to use the concept of integrated marketing communications (see subchapter 1.4). **Narrow sense** can be understood as elements of the marketing communication mix.

Figure 1-2: The marketing mix versus marketing communication mix
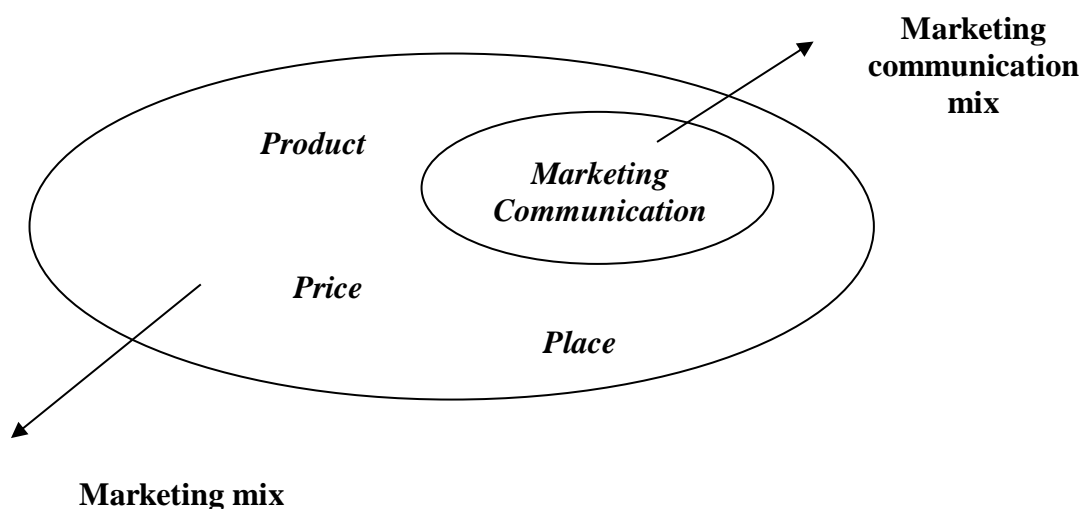
Source: author´s work

There are several general objectives of marketing communication: (1) to create demand, (2) to support the product differentiation (positioning), (3) to point out the product value and benefit for customers.

By the development of new technologies, new communication media come into existence. Communication becomes electronic, digital, mobile, viral, etc. Companies are looking for new communication methods and concepts to reach their target groups better. Today we use communication projects that use a variety of new non-traditional media and tools, which

can include, for example, guerrilla marketing, DRTV, mobile marketing, viral marketing, product placement, ambush marketing and other (more details in Chapter No. 9).

It is also necessary to mention the term **"marketing smog"** as a negative aspect of contemporary marketing communication. It means that marketing communications annoy, disturb and even reduce the quality of people´s life living in developed markets. (Karlíček et al. 2013)

1.3 THE MARKETING COMMUNICATIONS MIX

The communication mix represents the fourth element in the marketing mix according to the concept 4Ps. The communication mix is the term for a summarization of the main means of commercial communications by which companies try to get their messages across to the potential audiences. It is also the term for the way these means are mixed (combined) and applied to ensure the best possible effect. The decision on the best combination depends on the kind of product (ordinary, special, luxury, long-term or short-term consumption), the stage of the product life cycle (introduction, growth, saturation, decline), market character (B2C x B2B), company market position and its financial resources (large x small company), marketing communication strategy and the decisions on the customer´s side. (Kaftan 2001, p. 228-229)

Figure 1-3 lists some of the elements of the communication mix and the table 1-1 illustrates the basic characteristics of the mentioned elements of the communication mix.

Figure 1-3: Elements of the marketing communication mix
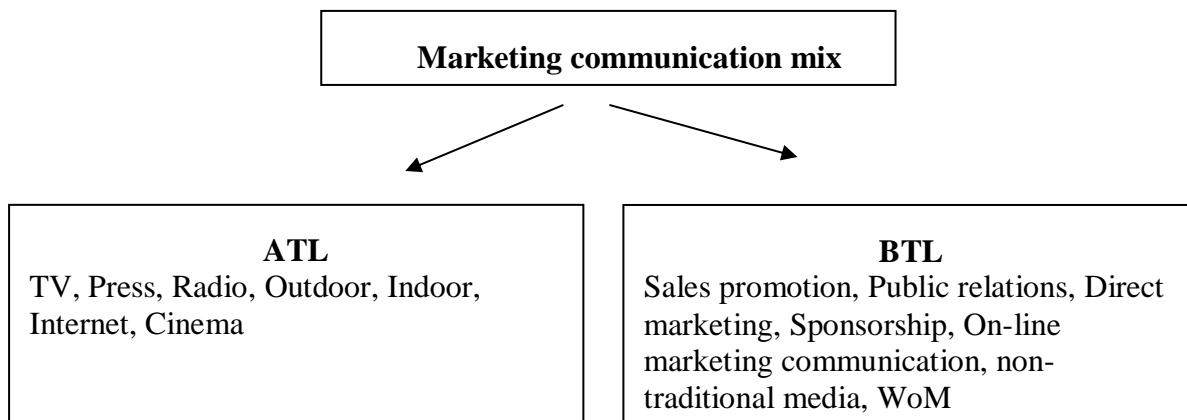
Source: author´s work

Marketing communications were divided into above the line (ATL) and below the line (BTL). Above the line means advertising uses independent media (primarily TV, radio, and the press) where the advertisements can be seen, heard or read by any viewer, listener or reader. This method accounts for nearly 60 % of all advertising. Below the line advertising is directed at people in certain places or jobs and uses sales promotion, direct mail, sales literature and special events such as displays, trade fairs and exhibitions, or closer contacts with potential buyers etc. In practice there is the most common use of the communication through the line (TTL) which is the combination of communication above and below the line. (Kaftan, 2001, p. 229-230)

Table 1-1: The basic characteristics of the marketing communication mix elements

Element	Explanation
Advertising	A paid insertion of a message in a medium.
Sales promotion	Activity designed to give a temporary boost to sales, such as money-off coupons, free samples, two-for-the price-of one promotions, free gifts, piggy-backing with another product, lottery, multi-packing etc.
Personal selling	Face-to-face communications between buyers and sellers designed to ascertain and meet customer´s needs on a one-to-one basis.
Public relations	The planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics.
Direct marketing	An interactive system of marketing which uses one or more advertising media to create a measurable response and/or transaction at any location.
Sponsorship	Funding of arts events, sporting events etc. In exchange for publicity and prestige.
On-line marketing communication	The use of websites and social medial for commercial communication purposes.

Source: own formation according to Blythe (2003, p. 33-34)

1.4 INTEGRATED MARKETING COMMUNICATION (IMC)

A popular concept in recent years has been integrated marketing communications (IMC). The integrated marketing communication has been defined in a number of ways, stressing various aspects, benefits and organizational consequences of IMC. According to Kotler (1999) the IMC solution calls for recognizing all contact points where the customer may encounter the company, its products, and its brands. Each brand contact will deliver a message, either good, bad, or indifferent. The company must strive to deliver a consistent and positive message at all contact points.

The various definitions incorporate the same core idea: communications instruments that traditionally have been used independently of each other are combined in such a way that a synergic effect is reached, and the resulting communications effort becomes „seamless" or homogeneous. The major benefit of IMC is that a consistent set of messages is conveyed to all target audiences by means of all available forms of contact and message channels. (Pelsmacker, Geuens and Bergh, 2007, p. 8)

Integrated marketing communications (IMC) is a process for managing customer relationships that drive brand value primarily through communication efforts. Such efforts often include cross-functional processes that create and nourish profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialog with them. IMC includes the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program in order to maximize the impact on end users at a minimal cost. This integration affects all firm's business-to-business, marketing channel, customer-focused, and internally directed communications. Integrated Marketing Communications is a

simple concept. It ensures that all forms of communications and messages are carefully linked together.[1]

1.4.1 BENEFITS OF IMC

Although Integrated Marketing Communications requires a lot of effort it delivers many benefits. There are some mentioned benefits in the following text. It can create competitive advantage, boost sales and profits, while saving money, time and stress. IMC wraps communications around customers and helps them move through the various stages of the buying process. The organisation simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers. IMC also increases profits through increased effectiveness. IMC can boost sales by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase. IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons. Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature.

Despite its many benefits, Integrated Marketing Communications, or IMC, has many barriers. In addition to the usual resistance to change and the special problems of communicating with a wide variety of target audiences, there are many other obstacles which restrict IMC. These include: Functional Silos; Stifled Creativity; Time Scale Conflicts and a lack of Management know-how.[2]

1.4.2 CASE STUDIES ON THE BEST IMC CAMPAIGNS

There are two case studies of integrated marketing communication campaigns from practice in the text below.

GOPRO IS LEVERAGING USER-GENERATED CONTENT TO OWN ACTION SPORTS

GoPro uses the theme "Be a HERO" to connect with its target audience in a meaningful way. Using brand-related sponsorships and endorsements, outdoor ads, SEO, web, and heavy social media, GoPro integrates all of their marketing efforts with plenty of engaging content from customers themselves. Top it all off with a comprehensive "always on" brand ambassador marketing program, and you've got a winning challenger brand.

GoPro integrated marketing strategy: search + social + out of home + video

GoPro uses the theme "Be a HERO" to connect with its target audience in a meaningful way. Using brand-related sponsorships and endorsements, outdoor ads, SEO, web, and heavy social media, GoPro integrates all of their marketing efforts with plenty of engaging content from customers themselves.

GoPro users can submit their original videos using the latest GoPro HERO 5 to win Video or Photo of the Day on GoPro's social media channels.

The brand was able to score one of the top ads of the year by using a firefighter's original GoPro video, proving that when you have a strong brand message, even user-generated content will represent your campaign and make it successful.

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[1] Integrated Marketing Communications [online] [cit. 7th April 2014] Available at:
http://en.wikipedia.org/wiki/Integrated_marketing_communications
[2] Marketing Communications: What is IMC? [online] [cit. 7th April 2014] Available at:
http://www.multimediamarketing.com/mkc/marketingcommunications/

Out of home ads in key markets leveraged user-generated content to show the cool factor and associate further with the adrenaline junky lifestyle.

Tie in with sponsorships around the integrated campaign instantly delivers a targeted, scalable audience.[3]

ALWAYS "LIKE A GIRL" CAMPAIGN

Always briefed its agencies to create a campaign that leveraged the brand's legacy of supporting girls as they make the transition from puberty to young women, while reinforcing why the brand is "relevant to me" and also one that understands the social issues girls today face at puberty.

Research conducted for the campaign showed over half the women claimed they experienced a decline in confidence at puberty. The opportunity was clear. Empowering girls during this time of their lives when confidence is at its lowest would give a powerful, relevant and purposeful role.

"We explored different factors that influence girls during the vulnerable time of puberty. During this exploration, someone taped a piece of paper to the board that read 'like a girl'. That's all it said. Among all the ideas and pieces of paper in the room, we were instantly drawn to it. The idea was explained as: 'like a girl' has been around forever and is uses in derogatory ways, let's change the meaning of it. From that day on we started to build on that idea," says Judy John, Chief Executive Officer/Chief Creative Officer of Leo Burnett Canada.

The creative team set out to redefine confidence in a way that was more relevant and remain true to the brand turning the phrase 'like a girl' from insult it into a term of empowerment. The campaign that ensued was built around a social experiment to show the impact the phrase "like a girl" had on society, especially on girls pre and post-puberty.

The centrepiece was a video that captured how people of all ages interpret the phrase 'like a girl'. "We thought the best way to start a movement and spark a conversation was to create a video that would encourage people to share and participate," says John.

Documentary filmmaker Lauren Greenfield was brought on board to produce the film. The result revealed that between puberty and adulthood, many women internalise the phrase to mean weakness and vanity. The experiment also showed how a little encouragement can go a long way in changing perceptions of what 'like a girl' means.

Once the film was shot, a campaign was then constructed around it to spread the message and empower women by showing that 'like a girl' should be a meaningful and powerful statement all women should embrace. Social hashtag #LikeAGirl was introduced as a rallying cry. John adds: "The hashtag was essential in rallying people to change the meaning of 'like a girl' by showing the world that it can mean amazing things."

"Having a hashtag that captured the essence of the idea and encouraged people to take part in changing the meaning of it had an impact on our success," she believes. "But also key to the campaign's success were the relevance of the insight, the power of the creative idea and the authenticity of the responses we captured on film".

Always #LikeAGirl generated considerable global awareness and changed the way people think about the phrase 'like a girl', achieving more than 85m global views on YouTube from 150+ countries.

Prior to watching the film, just 19 % of 16-24s had a positive association toward "like a girl". After watching, however, 76 % said they no longer saw the phrase negatively.

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[3] LonelyBrand: 5 Companies who are doing integrated marketing right in 2017 [online] [cit. 26th July 2017] Available at: https://lonelybrand.com/blog/3-companies-integrated-marketing-right/

Furthermore, two out of three men who watched it said they'd now think twice before using the "like a girl" as an insult.

Always' brand equity showed a strong double digit percentage increase during the course of the campaign while most of its competitors saw slight declines. Six months on, Always ran a 60-second spot highlighting the campaign during the 2015 Super Bowl. Two months later, it released a follow-up video showing how the meaning of the phrase is already changing to mark International Women's Day.

The campaign won D&AD Pencils across eight separate categories, including Direct, Digital Marketing and Film Advertising. It was one of only five projects to win a Black Pencil in 2015-and the only one to do so in the 'Creativity for Good' category.

"This film is proof of the power that creativity holds," John says. "People connect with and buy the brands that share similar points of view or values they have. These brands have big ambitions and they make a positive and emotional connection with their consumers. That's why purpose-driven brands are succeeding."[4]

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[4] DanDad: Case Study: Always #LikeAGirl [online] [cit. 28th July 2017] Available at: https://www.dandad.org/en/d-ad-always-like-a-girl-campaign-case-study-insights/

2   THE PROCESS STP ON B2C MARKET

An **undifferentiated/mass marketing or total market approach** assumes that all customers have similar needs and wants and can be served by a single marketing mix. Organization offers one product concept to most of the market, ignoring the individual requirements of separate market segments. The diversity of customer needs in most markets means this is not now a common approach. Nowadays companies cannot connect with all customers in large, broad, or diverse markets. But they can divide such markets into groups of consumers or segments with distinct needs and wants. A company then needs to identify which market segments it can serve effectively. This decision requires a keen understanding of consumer behaviour and careful strategic thinking. To develop the best marketing plans, managers need to understand what makes each segment unique and different. Identifying and satisfying the right market segments is often the key to marketing success. (Kotler and Keller, 2012, p. 235)

To compete more effectively, many companies are now embracing **target marketing.** Instead of scattering their marketing efforts, they´re focusing on those consumers they have the greatest change of satisfying. Effective target marketing requires process STP – segmentation – targeting and positioning (see Figure 2-1 below).

The process of segmentation, targeting and positioning is central to effective strategic marketing. Segmentation is concerned with the process of identifying different groups of customers who are similar in ways that are relevant to marketing. In order to segment a market, it is important to understand who customers are, why they behave in particular ways and how they may be grouped together. Targeting decisions can then be made based on the range of identified segments. In order to choose the most appropriate target markets, it is necessary to understand what different segments want and the extent to which the organization can supply those wants. Finally, having identified target markets, the organization must then consider how to position itself in those markets. Positioning refers to the way in which an organization tries to communicate its value proposition to its target market in order to convince customers that it has a distinct offer. In effect, positioning is about the way in which the organization tries to build and communicate its competitive advantage. (Waite and Ennew, 2007)

Figure 2-1: The process STP

MARKET SEGMENTATION	MARKET TARGETING	MARKET POSITIONING
Identify and profile distinct groups of buyers who differ in their needs and wants.	Select one or more market segments to enter.	For each target segment, establish and communicate the distinctive benefit(s) of the company´s market offering.
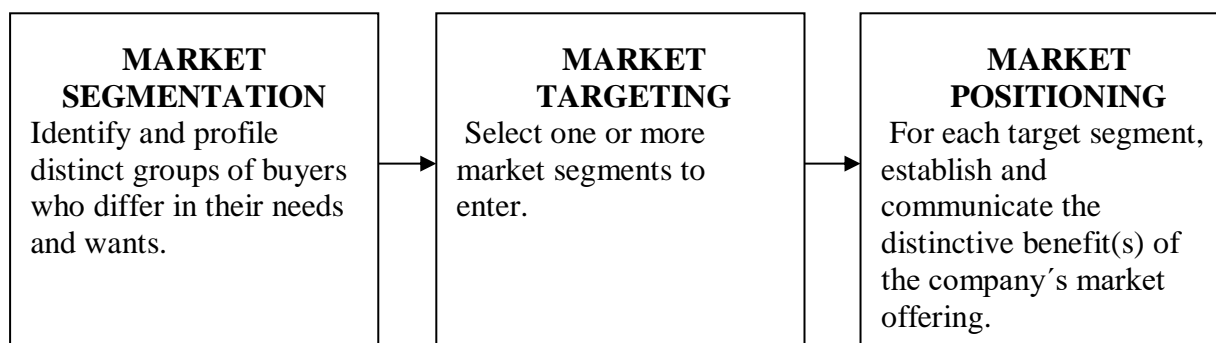
Source: own formation according to Kotler and Keller (2012, p. 235)

2.1 SEGMENTATION

Very few product or services can satisfy all customers in a market. Not all customers want or are prepared to pay for the same things. Therefore to implement the marketing concept and

successfully satisfy customer needs, different product and service offerings must be made to the diverse customer groups that typically comprise a market. The technique that is used by marketers to get to grips with the diverse nature of markets is called market segmentation. (Jobber, 2010, p. 260)

*"**Market segmentation** is aggregating prospective buyers into group that (1) have common needs and (2) will respond similarly to a marketing action. The groups that result from this process are **market segments**, a relatively homogenous collection of prospective buyers."* (Berkowitz et al., 1989, p. 196)

"Segmentation is the division of consumer markets into meaningful and distinct customer groups." (Levens, 2012, p. 131)

Market segmentation, then, consists of dividing a diverse market into a number of smaller, more similar, sub-markets. The objective is to identify groups of customers with similar requirements so that they can be served effectively while being of a sufficient size for the product or service to be supplied efficiently. Usually, particularly in consumer markets, it is not possible to create a marketing mix that satisfies every individual´s particular requirements exactly. Market segmentation, by grouping together customers with similar needs, provides a commercially viable method of serving these customers. It is therefore at the heart of strategic marketing since it forms the basis by which marketers understand their markets and develop strategies for serving their chosen customers better that the competition. (Jobber, 2010, p. 260)

There are a number of reasons why organizations undertake segmentation: (Drummond and Ensor, 2005, p. 67)

- **Meet consumer needs more precisely:** In a generic market customer´s demands will differ, by developing a distinct marketing mix for each consumer segment an organization can offer customers better solutions for their needs.
- **Increase profits:** Differ consumer segments react in contrasting ways to prices, some are far less price-sensitive than others. Segmentation allows an organization to gain the best price it can in every segment, effectively raising the average price and increasing profitability.
- **Segment leadership:** In any particular market the brands that have dominant shares of the market will be highly profitable. Their market leadership gives them economies of scale in marketing and production and they will also have established access to distribution channels. Small companies or new entrants in a market are unlikely to be able to gain leadership, they can however take a dominant share of a particular market segment. This focus can allow them to develop a specialist marketing mix to satisfy the needs of the consumers in that group while at the same time building a competitive cost position relative to other companies in that segment.
- **Retain customers:** Providing products or services aimed at different consumer segments allows an organization to retain that customer´s loyalty as their needs change. As an individual moves through life their needs in financial services will change. For example, young single individuals may need a minimum of credit and banking facilities and car insurance, while younger families will need in addition life insurance policies and mortgages and in middle age these needs will turn to pension provision. If an organization can provide all these services they may retain a customer who otherwise would transfer to another brand. An organization may also be able to use segmentation as a way of moving a customer over time from entry level products or services to products at the premium end of the market.
- **Focus marketing communications:** Segmentation allows an organization to identify media channels that can specifically reach the target groups. For example, young women interested in fashion are likely to read certain fashion magazines. Rather than spending money on mass-

market media that reach far wider that the target group, organizations can target their money and effort by using media focused directly on their potential consumer group.

2.1.1 THE PROCESS OF MARKET SEGMENTATION

The segmentation process involves establishing criteria by which groups of consumers with similar needs can be identified. These criteria have to identify consumer groups that have the following characteristics: (Drummond and Ensor, 2005, p. 68; Kotler and Keller, 2012, p. 253)

- The consumers in the segment respond in the same way to a particular marketing mix – **homogenous.**
- The consumers within the segment have to react in a clearly different way from other groups of consumers to the marketing mix on offer – **heterogeneous.**
- The group has to be **large enough** to provide the return on investment necessary to the organization.
- The size, purchasing power, and characteristics of the segments can be **measured – measurable.**
- The segments can be effectively reached and served – **accessible.**
- Effective programs can be formulated for attracting and serving the segments **– actionable.**

Figure 2-2: The ideal result of the segmentation process
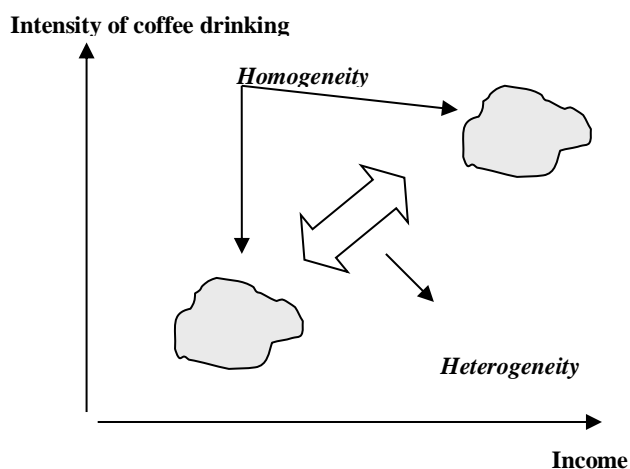
Source: Koudelka (2005, p. 19)

2.1.2 SEGMENTING MARKETS

Successful segmentation relies on a clear understanding of the market. Knowledge of consumer behaviour or organizational buyer behaviour is the crucial foundation on which that market understanding is built. This text below will summarize both consumer segmentation criteria and approaches to organizational market segmentation. The choice of a segmentation base can be one of the most critical decisions that influence the success of market segmentation.

SEGMENTING CONSUMER MARKETS

Segmentation is a creative process and can be conducted using a range of different variables, each bringing a particular perspective to the dynamics of the market. Segmentation

variables are the criteria that are used for dividing a market into segments. Segmentation criteria can be divided into three main categories: profile, behavioural, psychographic variables (see Table 2-1). (Drummond and Ensor, 2005, p. 75)

- **Profile variables** are used to characterize the consumer but in terms that are not expressly linked to, or predictive of, an individual´s behaviour in the specific market.
- **Behavioural variables** relate to the behaviour of the consumer. Thus behavioural factors such as benefits sought, usage and the purchase occasion all come under this category.
- **Psychographic variables** identify individuals´ attitudes, opinions and interests to build up a lifestyle profile that includes the consumer´s consumption patterns. Thus these profiles are inextricably associated with specific purchasing behaviour.

There is no hierarchy to these variables. Marketers can use any variable at a starting point (first order variables), and then add further variables (second order variables) to give the grouping a clearer definition. Thus a segment of consumers seeking physical fitness may initially be determined using benefit segmentation. Profile variables may then be added such as age, gender, geodemographics etc., in order to more clearly identify the consumer in order to allow the company to develop specific media communication and distribution plans. (Drummond and Ensor, 2005, p. 76)

Table 2-1: Consumer segmentation variables (criteria)

Variables (criteria)		Examples
Profile	Age	Under 12, 12-18, 19-25, 26-35, 36-49, 50+
	Gender	Female, male
	Life cycle	Young single, young couples, young parents, middle-aged empty nesters, retired
	Social class	Upper middle, middle, skilled working, unwaged
	Terminal education age	16, 18, 21 years
	Income	Income breakdown according to study objectives and income levels per country
	Geographic	North vs south, urban vs rural, country
	Geodemographic	Upwardly mobile young families living in larger owner-occupied houses, older people living in small houses, European regions based on language, income, age profile and location
Behavioural	Benefits sought	Convenience, status, performance, price
	Purchase occasion	Self-buy, gift, special occasions, eating occasions
	Purchase behaviour	Solus buying, brand switching, innovators
	Usage	Heavy, light
	Perceptions, beliefs and values	Favourable, unfavourable
Psychographic	Lifestyle	Trendsetter, conservatives, sophisticates
	Personality	Extroverts, introverts, aggressive, submissive

Source: Jobber (2010, p. 264)

2.2 TARGETING

Targeting is centred upon the decision about which segment(s) an organization decides to select for its sales and marketing efforts. "*Target marketing, in other words, is where the organization identifies market segments, selects one or more of them, and develops products and marketing mixes tailored to each.*" According to Levens (2012, p. 136) "*targeting is the process of evaluating and selecting the most viable market segment to enter.*" Marketing segmentation reveals the organization´s market segment opportunities. The organization then

has to evaluate the various segments, and decide how many and which ones to target. (Omar, 1999, p. 95)

2.2.1 EVALUATING MARKET SEGMENTS

In evaluating different market segments, an organization should examine two broad issues: **market attractiveness and the company´s capability** to compete in the segment. (Jobber, 2010, p. 278)

In organizational markets (B2B), individual customers may be evaluated on such criteria as sales volume, profitability, growth potential, financial strength and their fit with market and product strategy. Their allocation to a segment will be based on these factors. (Jobber, 2010, p. 281)

A.   Market attractiveness

There are a number of criteria that can be used to judge the attractiveness of a market segment. These fall under three broad headings: **market factors, the nature of competition and the wider environmental factors.** Market factors will be discussed in detail, the others only briefly.

1. Market factors (Drummond and Ensor, 2005, p. 212-214)

- **Segment size:** A large segment will generally have greater sales potential. This in itself will make it more attractive but it may also offer the potential of gaining economies of scale because of the larger volumes involved. Large segments with their potentially larger sales can justify the higher investments that may be necessary for organizations wishing to operate within them. However, large segments may not always be the most attractive. Large segments can be more competitive as their very size will attract other companies into them. Smaller organizations may not have the resources to address a large market and therefore may find smaller segments more appropriate for their attention.
- **Segment´s rate of growth:** Segments that are growing are normally seen as being more attractive than segments where growth has peaked or even begun to decline. Segments in growth are seen as having a longer-term potential and therefore justify any investment necessary. Once again, however, these segments are likely to be more competitive as other companies also recognize their potential.
- **Segment´s profitability:** If an organization is already operating in this segment it is not its profitability alone that should be reviewed. In order that all segments are evaluated on a consistent basis it is the profitability of all companies operating in the segment that should be calculated. This will have to be an estimate based on analysing competitor´s activities.
- **Customers´ price sensitivity:** Segments where consumers have low price-sensitivity are likely to be more attractive as higher profit margins can be gained. Consumers will be more concerned about quality and service rather than price alone. Price-sensitive segments are more susceptible to price competition, which leads to lower margins.
- **Stage of industry life cycle:** Entering a segment that is in the early stages of an industry´s life cycle offers the advantages of potentially high growth in the future. In the early stages there are also likely to be less competitors. However, the early stages of the industry life cycle are characterized by the need for high investment in new plant, promotional activities and securing distribution channels.
- **Predictability:** The potential value of a market will be easier to predict if it is less prone to disturbance and the possibility of discontinuities. In the long term a predictable market is likely to be more viable.

- **Pattern of demand:** The attractiveness of a segment will be affected by any seasonal or other cyclical demand patterns it faces (gift and card market - Christmas time). The same problem occurs in other industry sectors such as travel and tourism.
- **Potential of substitution:** In any market there is the potential for new solutions to be developed that will address consumers´ needs. An organization should review markets to establish whether new innovations could be used in the segment.

2. Competitive factors (Jobber, 2010, p. 280)

Segments that are characterized by strong aggressive competition are less attractive than where competition is weak (**nature of competition**). A segment may seem superficially attractive because of the lack of current competition, but care must be taken to assess s the dynamics of the market (**new entrants**). Segments will be more attractive if there is a real probability of creating a differentiated offering that customers value (**competitive differentiation**).

3. Political, social and environmental factors (Jobber, 2010, p. 280-281)

Political forces can open new market segments. Alternatively the attraction of entering new geographic segments may be reduced if political instability exists or is forecast. Changes in society (**social trends**) can give rise to latent market segments, under-served by current products and services. The **environmental trend** towards more environmentally friendly products has affected market attractiveness both positively and negatively.

B. Company´s capability (Jobber, 2010, p. 281)

Against the market attractiveness factors must be placed the firm´s capability to serve the market segment. The market segment may be attractive but outside the resources of the company. Capability may be assessed by analysing **exploitable marketing assets, cost advantages, technological edge, and managerial capabilities and commitment.**

2.2.2 TARGETING STRATEGIES

In addition to choosing the basis upon which to segment a market, choices must be made regarding which segments to target. This is not necessarily a sequential process. Indeed, choice of segmentation criteria and choice of targets (the targeting strategy) is an interactive and interdependent set of processes which may well require a high degree of iteration before a final strategic position is arrived at. Segments must be evaluated in terms of market attractiveness and the company´s capability. This information can then be taken into consideration when deciding which segments to target. The basic array of targeting strategies is as follows: (Waite and Ennew, 2007, p. 157; Jobber, 2010, p. 281-284)

- **Undifferentiated**: *It serves an entire marketplace with a single marketing mix which does not distinguish between sub-segments of the market.* Occasionally, a market analysis will show no strong differences in customer characteristics that have implications for marketing strategy. Alternatively, the cost in developing a separate market mix for separate segments may outweigh the potential gains of meeting customer needs more exactly. Under these circumstances a company may decide to develop a single marketing mix for the whole market. Undifferentiated marketing is more convenient for managers since they have to develop only a single product.
- **Differentiated:** *It is organized into a number of segments, each of which is targeted with a tailored marketing mix.* For example, airlines design different marketing mixes for first-class and economy passengers including varying prices, service levels, quality of food, in-

cabin comfort and waiting areas at airports. One potential disadvantage of a differentiated compared to an undifferentiated marketing strategy is the loss of cost economies. However, the use of flexible manufacturing systems can minimize such problems.

- **Focused**: *A choice is made to target a small subset of the segments of a multi-segment marketplace with a single marketing mix that best suits the needs of that segment.* The identification of several segments in a market does not imply that a company should serve all of them. Some may be unattractive or out of line with business strengths. Perhaps the most sensible route would be to serve just one of the market segments. When a company develop a single marketing mix aimed at one target market (niche) it is practising focused marketing. This strategy is particularly appropriate for companies with limited resources. Focused marketing allows research and development expenditure to be concentrated on meeting the needs of one set of customers, and managerial activities can be devoted to understanding and catering for their needs. Large organizations may not be interested in serving the needs of this one segment, or their energies may be co dissipated across the whole market that they pay insufficient attention to their requirements. One form of focused marketing is to concentrate efforts on the relatively small percentage of customers that account for a disproportionately large share of sales of a product (in some markets 20 per cent of customers account for 80 per cent of sales). An example of focused marketing in the B2C market is given by Bang & Olufsen, the Danish audio electronics firm. It targets upmarket consumers who value self-development, pleasure and open-mindedness, with its stylish television and music system.

- **Customized** – *each individual that comprises the target market is the subject of a marketing mix that is tailored in some way to the individual′s specific needs.* In some markets the requirements of individual customers are unique and their purchasing power sufficient to make designing a separate marketing mix for each customer viable. Many service providers, such as advertising and marketing research agencies, architects and solicitors, vary their offering on a customer-to-customer basis. They will discuss face to face with each customer their requirements and tailor their services accordingly. Customized marketing is also possible on the Internet, with customers being treated differently on an individual basis. An example is the locomotive manufacturers will design and build products to specifications given to them by individual rail transport providers. A fascinating development in marketing in recent years has been the introduction of mass customization in consumer markets. This is the marketing of highly individual products on a mass scale. Car companies such as Audi, BMW, Mercedes and Renault have the capacity to build to order where cars are manufactured only when there is an order specification from a customer. Dell Computers will also build customized products, often ordered on the Internet.

Behavioral targeting is a recent development that optimizes the online advertising potential for products and services. The ultimate idea is to increase interest in particular product at a point when the consumer is actively shopping within the product category. Behavioral targeting works by placing a cookie, information that a Web site places on your computer to identify you at a later time, on behaviour. An example would be a consumer searching a variety of automotive sites and then receiving an offer for vehicle insurance. (Levens, 2012)

Figure 2-3: Targeting strategies

Undifferentiated marketing

| Marketing mix | → | Whole market |

Differentiated marketing

Focused marketing

Marketing mix 1	→	Segment 1
Marketing mix 2	→	Segment 2	←	Marketing mix
Marketing mix 3	→	Segment 3

Customized marketing

Marketing mix 1	→	Customer 1
Marketing mix 2	→	Customer 2
Marketing mix 3	→	Customer 3
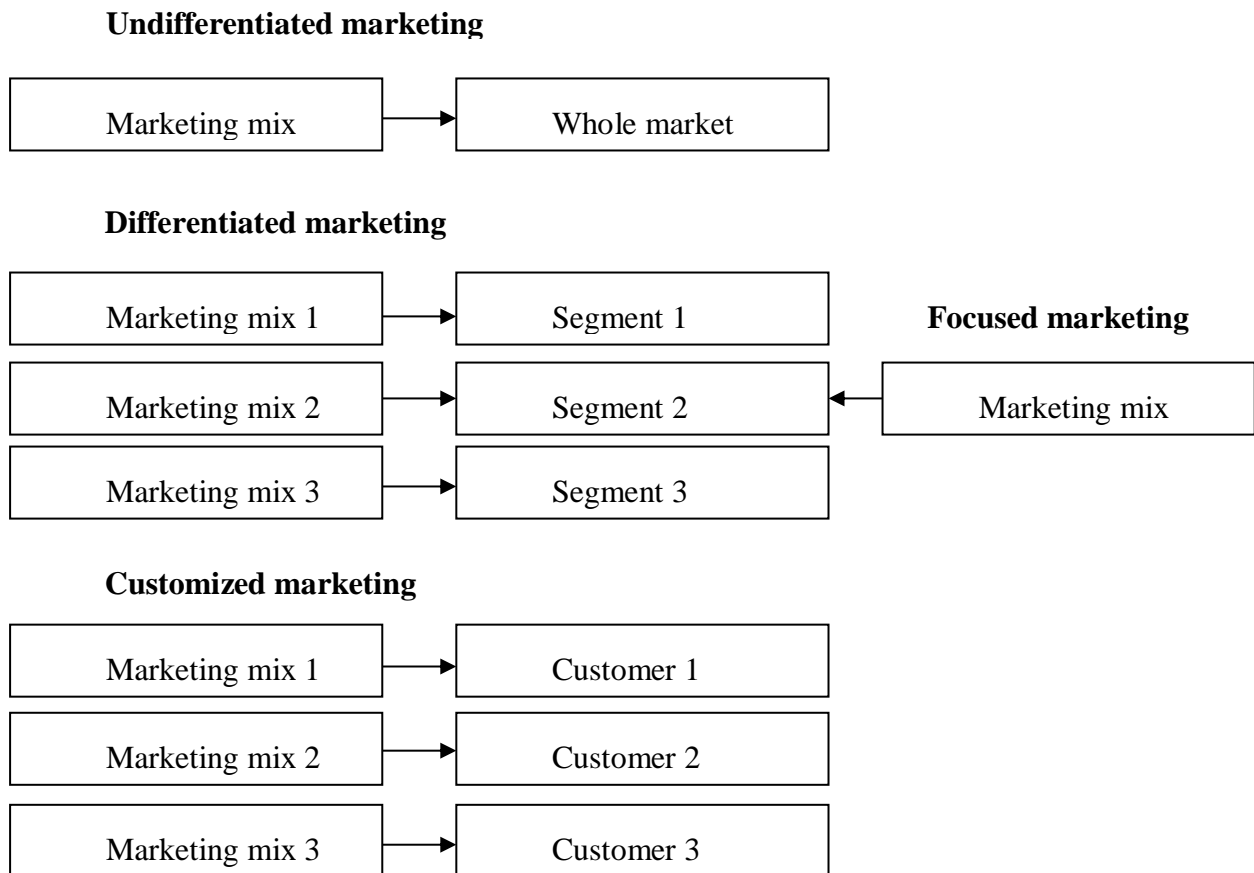
Source: Jobber (2010, p. 282)

2.3 POSITIONING

Having selected a target market or markets, the organization then has to decide on what basis it will compete in the chosen segment or segments. This has to be done in such a way that consumers can allocate a specific position to the company´s product or service within the market, relative to other products. Consumers have to cope with a huge amount of product information. Customers will position a product in their mind in relation to other products on the market based on their perception of the key attributes it contains. (Drummond and Ensor, 2005, p. 222)

"Marketing positioning is arranging for a brand or product to occupy a clear, distinctive and desirable place in the minds of targeted customers relative to competing products or brands." It is based on the product´s or brand´s attributes, standing, quality, the types of users, its strengths and weaknesses price and value, plus any other memorable characteristics, as perceived by the target market. (Dibb and Simkin, 2004, p. 67)

Before you position your product or service, you should answer the following strategic questions about your market and your products or services:[5]

- **What's your customer really buying from you?** Remember that McDonald's isn't just selling burgers and fries. It sells fast food that tastes the same, no matter when or where it's ordered, in an environment that's clean and friendly to families.
- **How's your product or service different from those of your competitors?** A cheeseburger is a cheeseburger, you may think. But look how McDonald's, Burger King and Wendy's differentiate their fast food. They offer different side dishes (onion rings at Burger King, french-fried potatoes at McDonald's), different toys with kids' meals (a big incentive for the under-age-10 set), and different ways of cooking their burgers (Burger King´s are broiled, McDonald's, grilled).
- **What makes your product or service unique?** In New England, McDonald's is the only fast-food chain to offer lobster rolls (a lobster salad sandwich served in a grilled hot-dog roll) in the summer.

Once you've answered these strategic questions based on your market research, you can then begin to develop a positioning strategy for your business plan. A positioning statement for a business plan doesn't have to be long or elaborate, but it does need to point out who your target market is, how you'll reach them, what they're really buying from you, who your competitors are, and what your USP (unique selling proposition) is. Remember, the right image packs a powerful marketing punch. To make it work for you, follow these steps:[6]

- **Create a positioning statement for your company.** In one or two sentences, describe what distinguishes you from your competition.
- **Test your positioning statement.** Does it appeal to your target audience? Refine it until it speaks directly to their wants and needs.
- **Use the positioning statement** in every written communication to customers.
- **Create image-marketing materials** that communicate your positioning. Don't skimp.
- **Include your team in the image-marketing plan.** Help employees understand how to communicate your positioning to customers.

There are four critical factors for successful positioning: Credence, Competiveness, Consistency, Clarity. (Drummond and Ensor, 2005, p. 223; Jobber, 2010, p. 285-286)

- **Credence:** The attributes used to position the product have to be perceived to be credible by the target customers. It would be very difficult for a nuclear power generator to position itself as environmentally friendly.
- **Competiveness:** The product should offer the consumer benefits which competitors are not supplying. For example, the success of the iPod was based on the differential advantage of seamless downloading of music from a dedicated music store, iTunes, to a mobile player that produced better sound quality than its rivals.
- **Consistency:** A consistent message over time is invaluable in helping to establish a position against all the other products and services fighting for a share of the consumer´s mind. The

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[5] Entrepreneur – positioning. [online] [cit. 19th May 2014] Available at:
http://www.entrepreneur.com/encyclopedia/positioning
[6] Entrepreneur – positioning. [online] [cit. 19th May 2014] Available at:
http://www.entrepreneur.com/encyclopedia/positioning

good example can be Gillette ("The best a man can get") and L´Oréal ("Because you´re worth it"). Both receive high recall when consumers are researched because of the consistent use of a simple message over many years.

- **Clarity:** The positioning statement an organization chooses has to create a clearly differentiated position for the product in the minds of the target market. Complicated positioning statements are unlikely to be remembered. Simple message such as "BMW: the ultimate driving machine", Wall–Mart´s "Low prices, always" are clear and memorable.

Brand positioning is the creation of a clear and distinctive image for the brand. A brand can be positioned using a range of associations, such as: (Drummond and Ensor, 2005, p. 222)

- **Product attributes:** Heinz positions its products on the attributes of no artificial colouring, flavouring or preservatives.
- **Product benefits:** Volvo positions itself using the product benefits of safety and durability.
- **Usage occasions:** The convenience store SPAR eight-till-late shops are positioned on the usage occasion. Customers use the shops when they need to shop out of normal hours or near to their home.
- **Users:** Ecover cleaning products are positioned as environmentally friendly products for the green customer.
- **Activities:** Lucozade is positioned as an isotonic drink for sporting activities.
- **Personality:** Harley Davidson motorbikes are positioned as a macho product with a free spirit.
- **Origin:** Audi clearly illustrates it German origins in the UK market by the use of the "Vorsprung durhc technik" slogan. The hope is the product will be linked to the German reputation for quality engineering.
- **Competitors:** Pepsi-Cola positions itself as the choice of the next generation, reflecting the fact that in blind tasting tests younger people preferred Pepsi over competitors´ offerings.
- **Product class:** Kellogg´s Nutrigrain bars are positioned as "morning bars", a substitute for the traditional breakfast.
- **Symbol:** Esso petrol has used the symbol of the tiger to position itself in the market.

Levens (2012) states three types of positioning: functional, symbolic and experiential. **Functional positioning** is based on the attributes of products or services and their corresponding benefits and is intended to communicate how customers can solve problems or fulfil needs. An example would be high quality. **Symbolic positioning** is based on characteristics of the brands that enhance the self-esteem of customers. An example would be the concept of physical appearance. **Experiential positioning** is based on characteristics of the brands that stimulate sensory or emotional connections with customers. An example would be the feeling of joy.

Whichever positioning approach is taken, there are a number of positioning mistakes that can be made by an organization. The first one is **underpositioning.** In this situation consumers have only a very limited perception of the brand and are unaware of any distinguishing features. In the case of **overpositioning**, consumers have a perception that the brand is only active in a very focused area, when in fact the brand covers a much broader product range. And the last one is **confused positioning,** when consumers have an unclear view of how the brand relates to competitive offerings. (Drummond and Ensor, 2005, p. 227-228)

2.3.1 PERCEPTUAL MAPPING

A useful tool for determining the position of a brand in the marketplace is the perceptual map. This is a visual representation of consumer perceptions of the brand and its competitors using attributes (dimensions) that are important to consumers. Perceptual maps can also be valuable in identifying the strengths and weaknesses of brands as perceived by consumers. Such findings can be very revealing to managers, whose own perceptions may be very different from those of consumers. The key steps in developing a perceptual map are as follow: (Jobber, 2010, p. 287)

- Identify a set of competing brands.
- Identify important attributes that consumers use when choosing between brands using qualitative research.
- Conduct quantitative research where consumers score each brand on all key attributes.
- Plot brands on two-dimensional map(s).

In the case of Figure 2-4, in the hotel market the key attributes are deemed to be the price and the facilities. Hotel A on this map is seen as expensive but with a full range of facilities. Hotel B is perceived to be inexpensive but with limited facilities. Both of these reasonably consistent offerings. Hotel C, however, is seen as expensive but with an intermediate level of facilities. This position does not offer any unique aspects. There may of course be more than two key attributes in a market. Figure does not map out quality. To gain a fuller picture obviously more than one positioning map can be developed. There will be a number of alternatives from which to choose (3D perceptual maps etc.). (Drummond and Ensor, 2005, p. 224-225)

Figure 2-4: A perceptual map of various hotels
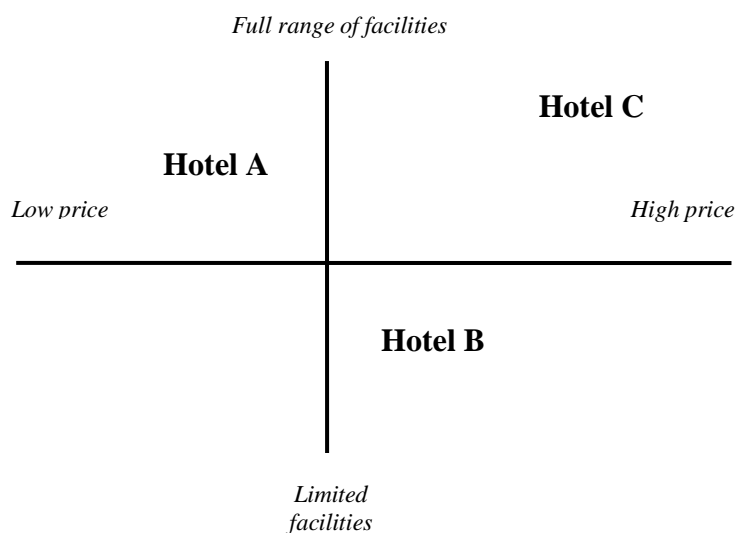
Source: Drummond and Ensor (2005, p. 225)

2.3.2 REPOSITIONING

Occasionally a product or service will need to be repositioned because of changing customer tastes or poor sales performance. Repositioning involves changing the target markets, the differential advantage, or both. A useful framework for analysing repositioning options is

given in Table 2-2. Using product differentiation and target market as the key variables, four generic repositioning strategies are shown. (Jobber, 2010, p. 288)

Table 2-2: Repositioning strategies

	Unchanged target market	**Changed target market**
Unchanged product attributes	*Image repositioning*	*Market repositioning*
Changed product attributes	*Product repositioning*	*Total repositioning*

Source: Drummond and Ensor (2005, p. 240)

REDVOLUTION: REPOSITIONING THE NESCAFÉ BRAND CASE STUDY

The nescafé brand was born during World War II when Nestlé was struggling with falling revenues. During the 1930s, Brazil had a lot of surplus coffee as its supply exceeded demand in the market. Brazil requested Nestlé to help it preserve the coffee so that it did not go waste. One of the coffee experts of Nestlé, Max Morgenthaler, came up with an idea of making soluble coffee that would not lose its natural flavour even it was stored. The idea was to create a new way of coffee making without having to boil the coffee powder in hot water or milk.

After seven years of painstaking development, Max Morgenthaler's team developed the world's first instant coffee, which was branded as Nescafé. The Nescafé brand of soluble coffee could be preserved for a long time and consumed by just adding some water to it. The brand was initially released in Switzerland in the year 1938. Despite the initial high expectations of the Nescafé brand, it took a few years for it to gain popularity in the market due to World War II. Soon, Nestlé started expanding the brand to other countries like France, USA, and Great Britain.

The sales of instant coffee began slowing down around the world at the beginning of the twentieth century due to a change in consumer preferences. Following the trends in the coffee industry, the sales of Nestlé's soluble coffee brands too had fallen since the year 2008 (Refer to Exhibit – IV for the sales of Nestlé's soluble coffee brands between the years 2008 to 2013). The main reason for the decline in the demand for instant coffee was the availability of easier ways to brew fresh coffee. Conventional consumers of instant coffee started using portable coffee machines that made fresh coffee in minutes.

In order to make the Nescafé brand appealing to younger customers, Nescafé started a repositioning exercise called 'REDvolution' in June 2014. The repositioning exercise was mainly developed with younger customers in mind. Under the repositioning campaign, all the products that were sold under the Nescafé brand would share the same visual identity, communication, and digital strategy. The brand would have the same characteristics in all the 180 countries where it was sold. The repositioning exercise of Nescafé was based on three visual markers, viz. The final accent on the logo of Nescafé, a structurally redesigned red mug, and a blockmark called 'hub' (a view from the top of the mug) (Refer to Exhibit- VI for the three visual markers of REDvolution).

As part of the repositioning exercise, Nestlé introduced a number of new products under the Nescafé brand. A milk-rich and chilled coffee product called Shakissmo was launched in seven European markets in June 2014. Shakissmo was the first ever chilled ice coffee product sold by Nestlé in the European markets. In order to make the product appealing to younger customers, Nestlé sold the Shakissmo range of ice coffee products in specially designed plastic cups that created foam when they were shaken. Shakissmo was targeted at the younger customers who were drinking coffee for the first time in their lives.

Nestlé aimed to implement the repositioning exercise in 90 percent of the countries where it had operations by the end of 2014 and to reach the rest of the market in the year 2015. Nestlé also launched customized campaigns based on the REDvolution repositioning exercise in some markets around the world. In the Middle-Eastern markets, Nestlé launched a new advertising campaign called "My Inspiration" for its Nescafé My Cup range of instant coffee. The My Inspiration campaign featured younger customers who were aspiring to grow in their life. The advertising campaign persuaded the youth to try new things in life and discover the aspects of life that inspired them.[7]

REPOSITIONING THE BURBERRY BRAND CASE STUDY

In the 2000s, the brand Burberry became inextricably linked with "chav culture", a stereotype of the British working class that sent sales plummeting. Burberry had been a brand for the country aristocrat; inextricably tied with genteel pursuits. When Burberry decided to turn things around, they didn't try to go back to the country house. They capitalized on their history to rebrand as a fashion-forward, upscale and glamorous brand that epitomized contemporary Britain.

As in many branding missteps, it had begun innocently enough. In 2001, they had hired the gifted Christopher Bailey away from Gucci's womenswear division. Bailey had been key to injecting sex appeal into a conservative brand, making Kate Moss the face of Burberry. Burberry was suddenly, and unexpectedly, cool. Looking to capitalize on their success, Burberry extensively licensed their products. It provided a cash injection, but opened the door to downmarket imitation. When Angela Ahrendts took over in 2008, the brand was in trouble.

Ahrendts said that one of her first jobs was to take back control of Burberry's intellectual property. However, simply removing the check from dog beds wasn't sufficient; Burberry needed a new story, and like all prime storytellers, they started by understanding their audience. Burberry's customers are now increasingly based overseas, with exploding demand in China. In order to take back their brand, they simply couldn't turn back the clock. They needed to tell their story how they were moving forward, but in an authentic way that took the best aspects of the existing brand identity with them.

Bailey cites Apple as the brand that inspires his conception of Burberry. Bailey, with Ahrendts' support, moved Burberry aggressively into the digital space at a time when many design houses saw elaborate websites as liabilities. This sparked innovation.

Burberry embraced social media, livestreaming of fashion shows and digital engagement with consumers. The content generated energized rebranding efforts by showing Burberry in an aspirational context. Burberry even redesigned its Regent street store to reflect the burberry.com website, providing a seamless experience from digital to retail. Their digital prowess became so admired that Ahrendts was eventually lured away from Burberry by Apple itself.

At Burberry's website, history is lovingly curated with images in a mobile-friendly setup. To move confidently into the digital sphere, you need content. Kept scrupulously up-to-date, the timeline connects Burberry's current campaigns with the highlights of the company's past. Although the house check was limited to less than 10% of products, it still peeked out under

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[7] IBS Center for Management Research: REDvolution: Repositioning the Nescafé Brand [online] [cit. 14th July 2017] Available at:
http://www.icmrindia.org/casestudies/catalogue/Marketing/REDvolution%20Repositioning%20the%20Nescaf%C3%A9%20Brand-Excerpts.htm#Repositioning The Nescafe Brand

shirt collars in advertising. Furthermore, Burberry's contemporary marketing efforts were decidedly upmarket, using aristocratic models in the English countryside shot by Mario Testino. It was a fresh and irreverent throwback to their original fusty image that still emphasized Burberry's sophisticated side.

Carefully curating their corporate history allowed Burberry to draw a clean line from their past exploits to their forward-thinking approach today. It brought the brand respectability and a sense of adventure. They also embraced their "Britishness", employing young British actors, musicians and models and bringing their runway shows to London from Italy. Exploiting their history reinforced their brand alignment, but also underlined that they understood what they did well.

Burberry had reached an impasse with their brand not only because of their downmarket associations, but because they had not evolved their brand for some time prior to Bailey's hiring. For all brands, creativity and evolution will continually refresh their brand. Ahrendts and Bailey agreed on a creative vision that leveraged the best of Burberry's history, but was resolutely contemporary.

Burberry was successful in rebranding itself because it was determined to start fresh. That's not to say that they jettisoned everything of their history. Instead, they leveraged it, moving to become a fashion powerhouse that finally began to be spoken of in terms of innovation and style. That brand now, in the minds of consumers, means British, plaid – and innovation. Burberry adopted a logo of a knight with the Latin motto "Prorsum", meaning "forwards". This Latin motto seems ever more appropriate as Burberry, the brand, moves with audacity.

Even if you're not passionate about high fashion, there is much to learn by following Burberry's moves. A high level of comfort with innovation allowed rebranding to stretch beyond shaking off uncomfortable perceptions to become truly forward-facing.[8]

2.4 THE BENEFITS OF THE PROCESS SEGMENTATION AND TARGETING

Segmentation, targeting and positioning is a means by which a number of important benefits are secured for both providers and consumers of products and services. Alongside the benefits, there are also costs associated with segmentation. Identifying, measuring and maintaining a system of segmented markets is a cost in itself. Additionally, costs are incurred through the development of different products and different marketing campaigns for these different segments. Any exercise in market segmentation must be aware of these costs, and look to implement market segmentation only where the benefits outweigh the costs. In summary, the benefits are as follows: (Ennew and Waite, 2007, p. 148-149)

1. **It facilitates efficient resource utilization.** Indiscriminate use of the marketing mix is a wasteful use of precious resources. By identifying and targeting discrete segments of consumers, a company is able to limit the scope of individual components of the mix and thus reduce costs. To take a simple example, an advertising programme involving the use of the press media will be less expensive if it involves the use of magazines that are read by a discrete target segment of consumers rather than the entire population. Similarly, products designed to meet the particular needs of a given segment will not need features they do not require. Thus, segmentation results in greater resource efficiency, which benefits consumers through better value, shareholders through reduced waste and lower costs, and the environment through resource efficiency.

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[8] EchoStories: Rebranding Done Right: a Burberry Tale [online] [cit. 14th July 2017] Available at: http://www.echostories.com/rebranding-burberry-case-study/

2. **It allows effective targeting of new customers.** The logical next step from segmenting a market is the selection of segments to target for marketing activities. Nowadays, it is unusual for a company to have a completely indiscriminate approach to targeting new customers. As the costs of customer acquisition have increased and companies become increasingly focused upon customer profitability, they have to be selective in respect of which kinds of people or organization they want to be their customers. It must be appreciated that different customers display different characteristics and behaviours that impact upon customer value.

3. **It facilitates competitive advantage.** The more specific an organization´s approach to segmenting the market, the easier it is to establish and maintain competitive advantage. This arises by virtue of the fact that competitive advantage is a relative concept that involves differentiating an organization from its rivals in the eyes of its customers. Self-evidently, the more indiscriminate the approach to targeting, the wider the array of competitors against whom an organization will have to seek do differentiate itself.

4. **It directs the marketing mix.** Best practice dictates that each target segment chosen by an organization should be subject to a specific and relevant marketing campaign. In this way, marketing is managed to achieve the best fit with each target segment.

5. **It enhances customer satisfaction.** Segmentation and targeting is an effective means of enhancing customer satisfaction through the ways in which the mix should achieve a close match with customer needs and wants. Clearly, the more precisely a product and its features reflect the characteristics of a given group of individuals, the greater the degree of satisfaction they should experience from its consumption. The corollary to this is that the absence of well-managed segmentation results in a generalized approach to the market. This results in customers feeling that a number of product features are irrelevant to them, and that communications messages are ill-judged and lacking real relevance to their personal circumstances and preferences. As a consequence, such consumers will always be vulnerable to competitors with a more focused approach to segmentation that enables them to deliver greater customer satisfaction.

PORSCHE: MARKET SEGMENT STRATEGY CASE STUDY

The product lineup for Porsche includes:

- 911 in the midsize premium sporty car segment.
- 718 Boxster in the compact premium sporty car segment.
- 718 Cayman in the premium sport coupe segment.
- Cayenne in the midsize crossover utility vehicle (CUV) segment.
- Macan (latest addition) in the compact CUV segment.
- 918 Spyder (latest addition) in the open-top super sport car segment.

The price of a Porsche ranges from approximately \$50,000 to \$845,000 with segmented price points based on the model selected.

The basis of market segmentation for Porsche involves dividing a market according to defined smaller easily defined group of consumers with the same wants and needs. Porsche identifies segments to target using two variables including, descriptive elements and behavioral elements. Descriptive elements include demographic, psychographic, and geographic. Behavioral elements include individual responses to brands, usage, and benefits.

Porsche segments markets based on five critical elements required to evaluate a segment. These elements include ensuring a market segment is measurable, accessible, substantial, differentiable, and actionable.

Demographic

Demographic data provides Porsche with a distinguishable way to measure variables of a market estimating the market size and the media to use to reach the market segment. The demographic of the Porsche owner, includes a college graduate, household income over $100,000, 85% male, and 15% female. The typical Porsche owner is 40 years old and up with Porsche targeting the 25-54 age demographic seeking a slightly younger audience with the "Engineered for magic, every day" campaign.

The age demographic rose from an average age of 48 in 2007 to an average age of 51 in 2012. Porsche's targeted marketing efforts focus on reducing the average age of the Porsche owner and increasing the number of female owners.

Porsche provides an example of an automotive icon focusing on demographics using age and gender. The "Engineered for magic, every day" campaign, in part, targets women with an image of a mother in a Porsche 911 in front of a school with the text reading school bus.

Additionally, Porsche uses tennis star Maria Sharapova as a spokesperson to engage a younger female audience. The results in the years 2014-2016 indicate a growth from 8% to 15% in female purchasing the Cayenne CUV and Panamera four-door sport sedan primarily.

Psychographic

Porsche uses a psychographic segmentation approach dividing the segment based on behavioral elements, such as psychology, lifestyle, personality traits, and values to gain deeper insight of the consumer. The same demographic can possess different behavioral elements.

Psychographic profiling provides Porsche with the ability to customize the messaging to target the specific psychographic profiles developed by Porsche.

- **The top gun** profile consists of an ambitious and driven individual who cares about power and control expecting to be noticed.
- **The elitist** profile, includes an individual from old money (blue blood), has the attitude a car is just a vehicle and not an expression of a person's personality.
- **The proud patrons** owner profile sees a Porsche as a trophy considering it a reward for hard work with ownership as the main goal not being noticed.
- **The bon vivants** profile consists of thrill seekers and jet setters with the Porsche as a means of excitement.
- **The fantasist** profile sees the Porsche as a form of escape and does not care about impressing others.

Porsche has added another profile consisting of individuals enjoying a sporty vehicle for daily use by women and younger drivers with the latest marketing campaign, "Engineered for magic, every day".

Geographic

Porsche uses a traditional geographic segmentation approach grouping markets based on countries, continents, regions, states similar to other worldwide automotive brands. Porsche is a global brand with dealerships located on every continent in major cities.

In the United States dealerships are located in major cities with the manufacturer dividing the market into four regions (north, south, southwest, northwest).

Porsche varies the product mix offered by dealerships within each region. As an example, the dealers in the warmer south and southwest regions offer a higher percentage of convertibles in the product mix versus the north and northwest regions in the United States with marketing following suit.

Creating New Segments

In 2003, Porsche launched the Cayenne creating the first sport utility vehicle with luxury and high performance. Porsche's introduction of the Cayenne created a new market segment in an attempt to expand the brand. The introduction of the Cayenne has resulted in a vehicle that accounts for half of Porsche's profits.

In 2009, Porsche launched the 2010 Panamera a four-door sport coupe based on the market research department identifying a need for a sporty four-door that drives like a sport car. The Panamera is the first of its kind creating a new segment of the four-door luxury sport car.

Porsche's effort to move outside of the sport car niche with the Cayenne and Panamera product launches have stimulated demand resulting in increased sales for the brand. The Panamera and Cayenne have proved to be effective brand extensions appealing to a wider audience by offering unique product offerings.[9]

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[9] Stephenzoeller: How to Segment Your Target Market: A Porsche Success Story [online] [cit. 25th July 2017] Available at: http://www.stephenzoeller.com/targetmarketsegmentporsche/

3 ADVERTISING

The role of advertising in the life of a modern society may be questioned, but cannot be ignored. Advertising represents the significant way how to reinforce image of the brand. Advertising is the most costly ingredient of the marketing communication mix, owing largely to high production and media expenses. Although expensive, on a per capita basis, advertising´s costs are relatively low. Media selection can be very specifically related to the target audience. The effectiveness of advertising is very difficult to assess. Advertising is generally deployed in conjuction with other ingredients of the marketing communication mix. (Dibb and Simkin, 2007, p. 109-110)

Advertising has been seen as both a positive and negative force in society. Since the 1960s the debate has been about whether advertising shapes the society or whether it merely reflects societal norms in order to do its job and sell things. (Copley, 2004, p. 104)

Advertising is also associated with a phenomenon of **false fame effect.** This term refers to the fact that advertising increases the level of perceived popularity of brands. It seems that people perceive advertised products as more popular than those that are not advertised. (Karlíček and Král, 2011, p. 49)

The style and form of an advertisement should adequately reflect its contents, which in turn have to focus on the usefulness of a product or service, and give it credibility as well as distinction by which it can be easily recognized and differentiated from competition. The definite format is thus matter of creativity, text, humour, style and tone which can evoke mood or fantasy, show the use of the product in daily life - **emotional appeals** and present a well-known, popular personality – **message source** (and all this can be underscored by a catchy tune, adapted song or musical theme).

3.1 ADVERTISING DEFINITION

There are many definitions of advertising, but what they have in common is that it is a communication between company and target audience through a medium with a commercial aim. (Vysekalová and Mikeš, 2007, p. 14)

- A paid form of non-personal presentation of ideas and products by an identified sponsor. There are the three basic features of advertising: **mass, paid, impersonal.** (Kaftan, 2011, p. 229)
- Advertising is a paid form of non- personal marketing communication about an organization and/or its products that is transmitted to a target audience through mass media. (Dibb and Simkin, 2007, p. 109)
- Advertising involves using media channels such as TV, print and cinema. As such media are used to convey a message, idea or product, advertising is a non-personal form of communication, i.e. advertising is aimed at the mass market as opposed to the individual.(Drummond and Ensor, 2005, p. 148)
- Advertising is one of the most fundamental ways to sort out information. And that´s the gift of advertising: to connect with people in a human way, to make the kind of emotional connections that are at the core of storytelling. (Smith and Zook, 2012, p. 282)
- Advertising has the capacity to reach huge audiences with simple messages. These messages are intended to enable individuals to comprehend what an offering is, appreciate what its primary benefit is and how this might be of value to an individual. (Fill, 2011, p. 223)

- Advertising is a communication in order to influence the sale or purchase of goods or services that meet the needs of manufacturers, suppliers and customers. Advertising can also represent the information leading to the acquisition of certain ideas (social advertising). (Jurášková, Horňák et al., 2012, p. 190)

Based on the above definitions, the basic tasks of advertising can be identified: (Dibb and Simkin, 2007, p. 111)

- Promoting products, brands and organizations.
- Stimulating primary and selective demand.
- Off-setting competitors´ advertising.
- Supporting the sales force´s endeavours in the field.
- Educating the marketplace/target consumers.
- Increasing uses for a product.
- Reminding and reinforcing attitudes.
- Reducing sales fluctuations.
- Communicating a brand´s positioning.

Advertising has three primary objectives – **to inform, to persuade, and to remind**. (Levens, 2012, p. 228)

Informative advertising is used to provide consumers with information on the product or service, as well as to build awareness and initial demand of a new product. It can also be used to explain the features and functions of a product or to correct false impressions. **Example:** Advertisement for General Motors cars called "GM Fuel Economy – Surprised?" is an example of the informative advertising. Many consumers believe that Japanese cars, like Honda and Toyota, always deliver better fuel economy than American made cars, like GM's products. This ad presents the EPA estimated fuel economy for several GM vehicles in an attempt to show potential customers that their assumptions about the company's cars may not be entirely accurate. The ad does not directly state the comparison to Honda and Toyota, instead opting to talk only about GM's cars, but the suggestion that viewers would be surprised by the fuel economy of the GM vehicles means that the company believes that consumers view the GM product line as being deficient in this area, which would imply a comparison to other companies´ offerings.[10]

Persuasive advertising is used to develop brand preferences and is also effective at increasing customer loyalty. Marketers often use comparative advertising to persuade consumers to switch brands. **Example:** Burger King and McDonald´s constantly deliver messages emphasizing claims of "flame-broiled" or quality, as in the case of BK, or value, as with McDonald´s. Subway used comparative ads to point out its health benefits relative to McDonald´s and other fast food burger shops in general.[11]

Reminder advertising is used by well-established brands to maintain brand awareness and remind customers to buy. The brand´s stage in the product life cycle will influence the objectives. For example, in the introductory stage of the product life cycle the objective will use informative advertising to establish or increase awareness among the target market. In the maturity stage, the objective may be to encourage brand switching by consumers, which calls

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[10] University of Washington: Marketing Examples [online] [cit. 18th August 2017] Available at: http://uwmktg301.blogspot.cz/2010/03/blog-post_04.html
[11] Yourbusiness: Examples of Comparative Advertising [online] [cit. 26th August 2017] Available at: http://yourbusiness.azcentral.com/examples-comparative-advertising-12783.html

for the use of persuasive advertising. **Example:** In the United States, some drug company had been using reminder ads on television to promote their products; these ads provided very little information to consumers. One example was a set of advertisements that stated the names of particular drugs, accompanied by images of bright sunny meadows and the statement "At last, a clear day is here". They did not provide information about when these drugs should be used, or about their possible side effects. (Deber and Mah, 2014, p. 367)

The advantages of advertising over other forms of communication are well known to be in terms of control – the sender pays for the space and can therefore say what he or she likes, where and when to say it and to whom, providing creative power of advertising means that it can be very cost-effective, especially in consumer markets where there is little between brands other than the ingenuity of the advertising that becomes part of the brand´s architecture. On the other hand, the disadvantages of the non-personal nature means there is no opportunity for immediate feedback, and costs of production and media can be very high yet credibility can be low. Most people know that advertising exists to persuade and if they so wish viewers, listeners and readers can "screen out" messages either psychologically through selective perception or physically by, for example, leaving the room when the commercial break is on. Another disadvantage of advertising as mass communication is that messages were thought to have to be very general in their appeal. These days, however, the fragmentation that has occurred in the various media means that there are smaller groups of recipients of messages, and marketers therefore have the ability to target these more with more specific messages. (Copley, 2004, p. 105)

3.2 THE SELECTED TYPES OF ADVERTISING

The following text will specify the selected types of advertising that can be found in the current companies communication practice. These are an Indoor advertising, 3D advertising, Cooperative advertising, B2B advertising, Social advertising and Subliminal advertising.

INDOOR ADVERTISING

Indoor advertising means the advertising media which are placed inside buildings (shopping centers, means of transport, railway stations, airports, schools and other public areas). It is both the formats that are used in outdoor advertising (CLV, posters) and special formats (floor graphic, advertising on shopping carts, advertising on the shelves, LCD screens in the waiting zones, etc.). Although the meaning of the word "indoor" is the opposite, indoor is still often included into forms of outdoor advertising.[12]

Indoor advertising can be also said as advertising behind closed doors, it means everything that is inside buildings such as shopping centers, stations, etc. It´s just the kind of advertising, when we do not need an umbrella or raincoat.[13]

There are several reasons to use indoor advertising in communication activities. Public places have a potential of high people´s concentration and they pass the advertising closely at the same time. For example, advertising placed in means of public transport represents a large effect the people spend there some time (15 minutes in average) and they have enough time to

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[12] Mediální slovník [online]. [cit.11th April 2014]. Available at: http://www.mediaguru.cz/medialni-slovnik/indoor/
[13] Slovník pojmů [online]. [cit.11th April 2014]. Available at: http://www.3b-board.cz/slovnik-pojmu/indoor-reklama/

read the commercial message. Other advantages include good targeting and low financial demands.

COOPERATIVE ADVERTISING

In the context of product advertising, companies can implement cooperative advertising which serves to stimulate interest in some products that should not compete, but should complement each other and fulfill a similar consumer´s need (so-called complementary goods). The effectiveness of such advertising usually has a synergistic effect. As an example, Ariel washing powder and Lenor fabric softener, Shell gas station and car maker Škoda, Sensodyne toothpaste producer and Orbit chewing gums, etc.

Cooperative advertising can also have the form of cooperation between wholesaler and retailer. It is a way how to do advertising by retailer, which could be for him impossible because of financial requirements. (Přikrylová and Jahodová, 2010)

3D ADVERTISING

3D advertising is an effective communication tool, which operates primarily in shape, color and other communication elements to attract the target group. 3D advertising is understood by customers as an added value. Customers usually get it for free as a bonus for increased consumption, loyalty, etc.

3D advertising is an advertising item that has three dimensions - height, width and depth. This includes a very wide range of things from the area of signmaking, advertising print and POP/POS displays. However, the main meaning of 3D advertising can be seen in promotional gifts and items, when logo or another company identification symbols are placed on them.

The stationery, small electronics and calendars are among the prevailing types of 3D advertising in the Czech Republic. General population receives 3D advertising mostly to to some purchased product. Thanks to 3D advertising value the recipients perceive the advertising message naturally. Most 3D advertising subjects are used for people´s own use.

The latest trend is to offer promotional items, which are environmentally friendly, the so-called "green concept". Eco-promotional items are made from materials such as bamboo or organic cotton. Used materials and their treatment are carefully selected with respect and care to the environment and society. As a specific eco-promotional items can be mentioned biodegradable pen, eco pen from corn derivatives, water-powered calculator, organic shopping or travel bag made from natural cotton and other items made from wood, etc.[14]

B2B ADVERTISING

B2B advertising (industrial advertising) is an interesting area of advertising at all. This is an advertisement of goods and services for different types of business, not for individual consumers. It should be taken into account that the consumer and industrial markets have their own characteristics, and therefore, there are crucial differences between advertising in these markets (see Table 3-1). The main difference is in the intensity of different media use, but also in communicating messages and target audience. Mass media such as television, radio, press have an important role in the consumer market. On the other hand, professional press and Internet prevail in the industrial market. If the advertising is compared with other elements of

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[14] Marketing a média 3/2008, Ekologické chvění 3D reklamy

the marketing communication mix, it is clear that the most preferred is a personal selling, direct marketing and sales support tools in B2B market. The major communication ways include trade publications, catalogs, exhibitions and fairs, etc.

Of course, the issue of industrial market is more extensive, but this study publication is aimed at the consumer market, so the issue of industrial market will not be specified in details.

Table 3-1: Differences between B2C and B2B advertising

DIFFERENCES	
B2C	**B2B**
The use of own money	The use of company money
A large number of buyers	A small number of buyers
The buying decision is made by individuals (family members)	The buying decision is made by group
Short decision/buying time	Long decision/buying time
SIMILARITY	
All buying decisions are made by people!	

Source: Vysekalová a Mikeš (2007, p. 16)

SOCIAL ADVERTISING

Social advertising is communication in order to influence public opinion in a particular social field. It could be also information leading to the acquisition of some positive ideas useful for selected social groups or the general public. These campaigns are usually realized by non-profit organizations and sponsored by significant economical entities. (Jurášková, Horňák et al., 2012, p. 197)

The aim of the campaigns may be issues such as global poverty and humanitarian assistance, home violence, child´s abuse, ecology, smoking, car accidents, child labor, animal cruelty, H.IV., etc. This type of advertising must be real, believable, intelligent, human and very sensitive. The level of advertising exaggeration is a very delicate matter in these cases.

There could be connection between commercial and social advertising in some cases and it is difficult to determine the primary intention (for example campaigns of Benetton company which have been created by O. Toscani).

Social advertising, in comparison with commercial advertising, use slightly different principles. It has a completely different atmosphere than the classic commercial advertising. It has always a great idea to use unconventional techniques. Agencies and creatives understand a social advertising as an opportunity where they can use their favorite music, ideas, techniques - all without limitations and contracting authority´s corrections.

SUBLIMINAL ADVERTISING

Subliminal advertising is a form of a hidden advertising, in which the visual or sound effect below the threshold of conscious perception. Recipient can register subliminal signals only below the threshold of conscious perception. The subliminal advertising becomes a psychological commercial weapon and consumers cannot defend themselves. Subliminal perception is usually considered as a kind of unconscious perception. As an example is message that glimmers between scenes of advertising so fast that it cannot be seen or message that can be heard only when the sound is played back. (Jurášková, Horňák et al., 2012)

The birth of subliminal advertising dates to 1957 when a market researcher named James Vicary inserted the words "Eat Popcorn" and "Drink Coca-Cola" into a movie. The words appeared for a single frame, allegedly long enough for the subconscious to pick up, but too

short for the viewer to be aware of it. The subliminal ads supposedly created an 18.1 % increase in Coke sales and a 57.8 % increase in popcorn sales. Vicary´s results turned out to be a hoax. But more recent experiments have shown that subliminal messages actually can affect behaviour in small ways.[15]

Scientists still conduct experiments to give an answer to the question if subliminal messages really influence consumer´s behaviour because the real effect has not been proven scientifically. Despite this fact, subliminal advertising is legally prohibited in the Czech Republic in many other countries legally prohibited. The prohibition is difficult to monitor in practice.

3.3 MESSAGE SOURCE IN ADVERTISING

It is an undeniable fact that the mascot or a celebrity may be advantageous as mediators in communication process. Message source can be a powerful force in creating interest or steps, in terms of shopping or use of selected goods or services. This identification may be based on admiration, desire or empathy.

Message source is usually a person, a figure, an organization that appears in the advertising to be in favour of the advertiser. Referral process includes the identification, selection and use of the message source to be ready for communication with the target segment. (Tellis, 2000, p. 252)

BASIC TYPES OF MESSAGE SOURCE (SPOKESPERSONS AND CHARACTER REPRESENTATIVES)

There are three basic types of message source in practice: specialists, celebrities, common man (Tellis, 2000).

- **Specialists** - individuals who have sufficient knowledge and can help potential customers to evaluate the product. Experts are usually selected because of knowledge, experience, training and learning.
- **Famous people (celebrities)** who are known because of their publicity. Most of them work in the area of entertainment and sport.

Advertisers often use the famous person voice in a way that is heard in the background and without identification it is called the **voice-over**. In most cases, however, the voice in the background belongs to an anonymous lay speaker.

- **Common man** are unidentified people appearing in advertisements. They are chosen to look and behave in similar way as target group of the product. The advantage of this message source is to show the prospective customer that someone like him/her uses and is satisfied with the advertised product. These advertisements are known as "advertisements of life" because it focuses on real-life situations.

Animated character spokesperson can act in advertisements and can get into the potential customers subconscious. The well-known mascot is the nimble figure of Michelin company – Bibendum which is more than116 years old. The animals and small children act more and more in advertisements because of emotional reasons.

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[15] BusinessInsider: The Shocking Drink And Incredible Coke History Of Subliminal Advertising [online]. [cit. 6th August 2017]. Available at: http://www.businessinsider.com/subliminal-ads-2011-5

3.4   EMOTIONAL APPEALS IN ADVERTISING

Most advertised brands are not normally new to consumers as they have had some experience of the brand, whether that be through use or just through communications. This experience affects their interpretation of advertising as memories have already been formed. The role of feelings in the way ads work suggests a consumerist interpretation of how advertising works rather than the rational, which is much more a researchers´ interpretation. Consumers view advertising in the context of their experience of the category and memories of the brand. Aligned with this approach is the concept of likeability, where the feelings evoked by advertising trigger and shape attitudes to the brand and attitudes to the advertisement. Feelings and emotions play an important role in advertising especially when advertising is used to build awareness levels and brand strength. (Fill, 2011, p. 240)

The communicator uses a variety of stimuli that should arouse emotions. These initiatives include images, sounds, sequence of events and activities. Suggestions are more interesting and can be more easily remembered than arguments. Emotional advertising aims to evoke the customer´s feelings rather than thoughts. Emotionally tuned advertisements include many nonverbal elements, stimuli evoking imagination and feelings (the tragic story causes sadness, thunder and lightning induces fear, etc.).

If there are too many emotions in advertisement, it is called as **"vampiric effect".** It means that people can remember advertising because of genuine humor, erotic appeals, famous music, but no connection between advertising message and product (brand) comes into existence.

The benefits of emotional appeals in advertising include: (Matušínská and Stoklasa, 2013)
- Emotions draw the viewers into the story and divert their attention from the intent to convince them.
- Emotions require less effort from the viewer. When a viewers watch logical arguments, they must listen to them carefully and evaluate them. Pictures and music require less cognitive effort.
- Stimuli which evoke emotions are usually more interesting.
- Emotions can remain in memory much longer than arguments.

SELECTED TYPES OF EMOTIONAL APPEALS

There are a number of initiatives that have a strong emotional effect. They include humor, eroticism, warmth, fear, music, drama, etc.

HUMOR
Humor is a funny expression based on the contradictions of the individual components.

According to Vysekalová and Mikeš (2007, p. 163) **humor in advertising has these specifics:**
- The attention can be better achieved by humor.
- Humor can promote the brand name and increase interest.
- Funny advertisement can longer remain mind.
- Humor in advertising can support the transition from one brand to another.
- Humor does not support the process of persuasion.
- Humor can damage the brand in general.
- Humor is inappropriate in conjunction with sensitive goods and some types of services.

Humor is widely used emotional technique all over the world. Humor in advertising has been the subject of many studies and it has been found only one common aspect of all studies - humor attracts attention. However, the question is how much the attention is drawn to the brand. The brand recognition, a positive attitude towards the brand and purchase intentions increase were not supported by any results. The prevailing opinion states that humor is more efficient for existing and well-known brands than for brands new and unfamiliar.

Figure 3-1: Variables affecting the effectiveness of humor in advertising
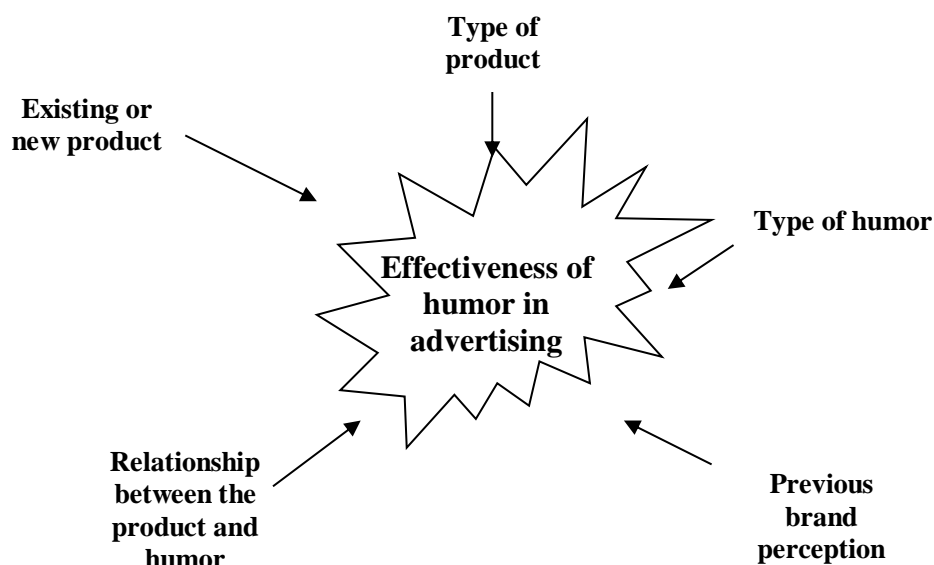
Source: Pelsmacker, Geuens and Bergh (2003, p. 220)

Examples: One of the most well-known examples is Coca Cola's beach ad. The ad shows a thirsty man reaching for his Coke; unbeknownst to him, a thirsty penguin has stolen the beverage and finds it refreshing. The ad succeeds because it's cute, clever, and appeals to Coke fans young and old. Other brands that have successfully developed humorous ads include the Old Spice "Smell Like a Man" ads and the Altoids "Curiously Strong" ad creatives.[16]

EROTIC

There is no clear answer to efficiency of erotic in advertising. Erotic attracts attention and many people argue that it is its greatest benefit. Many experts state that erotic reduces remembering of the brand and commercial message. The perception of advertising is more negative if there is a naked woman than naked man or couples. Stronger erotical appeal is typical of advertised products as underwear, bath foam, shaving cream, perfume, alcohol, clothes and cosmetics. Surveys show that men respect to erotic subtext in advertising more positively than women

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[16] Crescendoagency: Advertising Appeals: Cut Through the Clutter with Humor [online]. [cit. 15th August 2017]. Available at: https://crescendoagency.com/2015/10/01/advertising-appeals-cut-clutter-humor/

Advertisement will be considered as erotical, if it contains any of the following elements:
- partial or complete nudity,
- physical contact among adults,
- sexy or provocatively dressed person
- alluring or sensual face expression,
- suggestive speech or sexualized music.

Example: Calvin Klein is well known for its provocative ad campaigns - from a nearly nude Kate Moss to a frolicking Lara Stone and Justin Bieber - the iconic American brand has covered it all, almost. For autumn/winter 2015 the jeans division of the brand delves into the world of digital dating with a campaign featuring an array of models pictured in suggestive positions with the script of a conversation based on a real life online encounter displayed next to them. "Hahah a light threesome never hurt anyone," "You know he's not as good as me," "We gotta buy your roommate some ear plugs" is just some of the 'sexts' featured in the racy advertising images. Emphasising the real life element of the campaign, the imagery also features the tag line "raw texts, real stories." The campaign was described by the brand as "an innovative sociological experiment turned fashion campaign, the visuals provide an editorial narrative of how a modern generation uniquely approaches sexual connection in a digital world." The campaign was shot by Mario Sorrenti, a long time favoured photographer for the brand. Melissa Goldie, Chief Marketing Office of the brand explained the campaign: "Through this campaign, we're creating an emotional connection with today's technology driven generation, highlighting the new normal channel for modern meet-ups." Recently Calvin Klein introduced Kendall Jenner in her second campaign for the brand, this time modelling for the underwear division. Jenner took over from Justin Bieber and Lara Stone who fronted last season's lingerie campaign. This new campaign which features models rather than famous faces, marks a step away from the celebrity featured advertising that the brand has traditionally favoured.[17]

WARMTH

Warmth can be described as something that evokes pleasant and positive feelings such as love, friendship, comfort and empathy. Although the warmth is used now less than a few years ago, it is still the common emotional technique. The warmth leads to more positive emotional reactions. It irritates less and supports a positive attitude towards brand and buying intentions. According to marketing researches the warmth is accepted more by women and empathetic people. (Pelsmacker, Geuens and Bergh, 2003) A typical example might be a airlines services when a stewardess with a nice smile on her face serves passengers on board of the aircraft in order to fulfill their every desire. The use of warmth prevails in advertising of services.

Example: Google´s Android is global market leader in the mobile operating system market, but Apple's iPhone and iPad continue to lead in terms of engagement and monetisation. The internet giant wanted to find ways to emphasise the open platform of Android, which allows greater customisation than its iOS counterpart. In February 2015, Google´s Android ramped up the cuteness overload for its follow up ad to "Be Together, Not The Same". But by pairing unlikely animals, the mobile operating system drove home a powerful message that helped it become the most shared ad ever. Google produced a heartwarming video showcasing animals

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[17] Independent: Calvin Klein Jeans Launches „Sexting" Ad Campaign [online]. [cit. 20th August 2017]. Available at: http://www.independent.co.uk/life-style/fashion/news/calvin-klein-jeans-launches-sexting-ad-campaign-10424579.html

forming unlikely friendships. Directed by Agency Droga5, each clip in the montage features unconventional pairs of animals: dogs and elephants, chimps and horses, even tigers and bears. According to data and video tech company Unruly, the one-minute clip has become the most shared ad of all time. It has been shared a total of 6.4 million times across Facebook, Twitter and blogs.[18]

FEAR

An appeal of fear is something that should propose people to reduce some risks by purchasing the product displayed in the advertisement (e.g. insurance). It can also warn of buying some products and doing some dangerous activities (alcohol drinking while driving or smoking causes cancer, etc.). The motive of fear in advertising is usually presented as a threat of negative consequences that can occur if people do not own a product or do/don´t do some activities.

Typical risks that arouse feelings of fear: (Pelsmacker, Geuens and Bergh, 2003, p. 222)
- physical risks,
- social risks,
- time risk,
- risk of performance reduction,
- financial risks,
- risk of certain opportunities losing.

Figure 3-2: Effects of fear in advertising and consumer responses (U-curve)
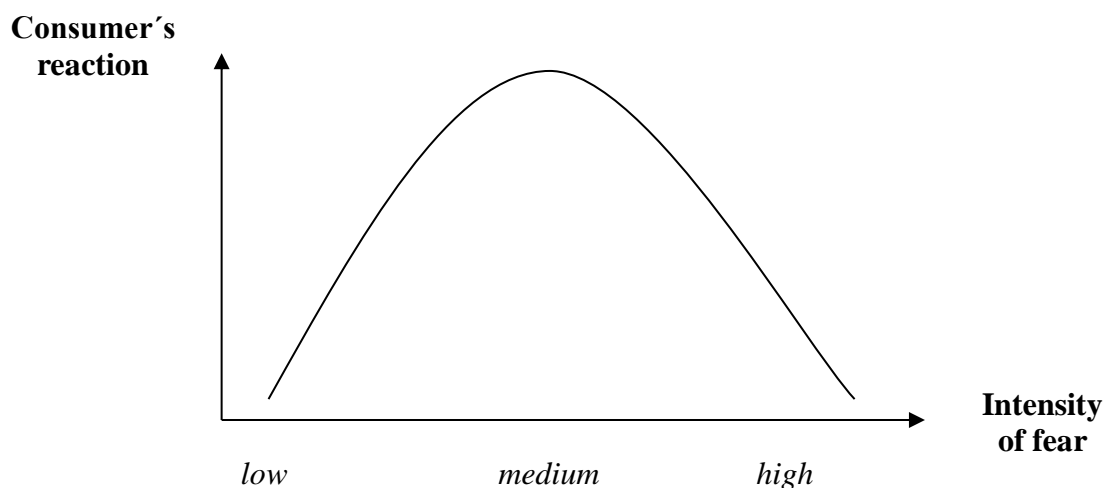
Source: Tellis (2000, p. 224)

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[18] DigitalTrainingAcademy: Case study: Android 'Friends Furever' becomes most shared viral ever [online]. [cit. 15th August 2017]. Available at: http://www.digitaltrainingacademy.com/casestudies/2015/11/case_study_android_friends_furever_becomes_most_shared_viral_ever.php

Examples: High fear appeal ads include classic anti-smoking or anti-drug ads, which connect to the underlying health risks of smoking or doing drugs. Ads for mouthwash, which suggest that bad breath, may be keeping you from getting a date or a new job.

Household cleaning products like the Swiffer are often advertised with a low fear response: Viewers feel like they need the product in order to combat harmful germs hiding in plain sight. The ads from the World Wildlife Foundation play upon an innate fear of the unknown or "monster" to suggest that if humans do nothing about climate change, they will become monsters.[19]

MUSIC

Music in television and radio advertising has been used for a long time. The main effort is to raise attention, cause a pleasant mood, relaxation and friendliness. Music can support positive product evaluation and the adoption of communication message. According to the outputs of various marketing researches, it is clear that some tunes are already inextricably linked to particular products.

It seems that there is a general consistent opinion about the positive influence of proper music on the effectiveness of advertising, but there are not too much empirical evidence about these effects. It is certain that the music evokes usually very positive feelings. It is also expected that certain music will have a positive effect on remembering of concrete product or brand. (Pelsmacker, Geuens and Bergh, 2003)

Example: Nike is one of the brands which frequently use music in their ad creative to capture consumer attention, better connect with their target audience, and ultimately to drive sales. The key element of "Nike music shoe" advertisement is that it approaches youngsters to bring enjoyment through music and dance. In order to make this ad creative, in the centre of it, two hip young boys are shown, who generate beats with the help of Nike shoes.[20] Nike sneakers are tricked out as musical instruments. The shoes were wired through a digital system and bent to produce what sounds like electronic distortion in a bad Moby song, which is every Moby song, by the way. There's also a making-of video, posted after the jump. It took an engineering team and lots of Macbooks and software development to make the shoes sing.[21]

DRAMA

The dramatic approach is the most compelling form. It relies mainly on emotions than on logic. The dramatic approach draws the viewer into the action together with persons involved in the plot. If the argument is successful, it persuades the audience by force of logic and the importance of the evidence. Drama should be able to take advantage of its three components: story, plot and characters.

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[19] Crescendoagency: Advertising Appeals: Cut Through the Clutter with Humor [online]. [cit. 15th August 2017]. Available at: https://crescendoagency.com/2015/10/22/advertising-appeals-appropriately-use-fear-appeal-messaging/
[20] Amalbangor: Nike music shoe: An attractive commmercial advertisement [online]. [cit. 15th August 2017]. Available at: https://amalbangor.wordpress.com/2014/03/26/nike-music-shoe-an-attractive-commercial-advertisement/
[21] Adweek: Get your melodic feet in Nike musical shoes [online]. [cit. 15th August 2017]. Available at: http://www.adweek.com/creativity/get-your-melodic-feet-nike-musical-shoes-12527/

Example: MetLife Hong Kong produced heartbreaking ad "My dad's story": Dream for My Child featuring a daughter who describes all the things she loves about her dad, yet the story breaks down when she also describes all the ways he lies to her.[22]

3.5 PSYCHOLOGY IN ADVERTISING

The vast majority of marketers aren't psychologists. But many successful marketers regularly employ psychology in appealing to consumers. Smart, skillful, honest marketers use psychology legally, ethically, and respectfully to attract and engage consumers, and compel them to buy. Studies have shown psychological appeals resonate more with consumers than feature and function appeals. In advertising copy, benefits–which often have a psychological component–generally outsell features. Demonstrating how that new dishwasher will improve a potential customer's life tends to have more influence rather than explaining how it works.

According to Vysekalová et al. (2007) the role of psychology is included in the definition of advertising and marketing communications: "Purposeful communication effect, the dissemination of specific initiatives aimed at a specific audience, creating and changing of attitudes, beliefs and customs, leading to desirable actions ...."

The role of psychology represents the forms of intentional effect on people leading to communication goals achievement. But on the other hand there are also some negative effects of advertising in terms of psychology such as: (Vysekalová et al., 2007)

- Illusory happiness.
- Socialization of socially harmful values.
- Limitation of maturation process.
- Dissatisfaction caused by unrealistic world.
- Manipulation with people.
- Consolidating of social structures.
- Waste of resources.

Vysekalová et al. (2007) defines basic terminology connected with psychological effects in advertising:

Absolute threshold - the lowest level at which an individual can perceive the stimulus. The point at which a person can tell the difference between "something and nothing „ (i.e. the distance at which a driver may observe a billboard on the highway, is the absolute threshold of the individual).

Association - the connection between the perceptions that have left an imprint in the memory. Advertisements must associate product characteristics with the brand. It is best if the name of the product creates the direct association with its characteristics – Dobrá voda (Good Water). Association relates to positioning.

Discrimination threshold - the minimum difference that can be detected between two similar stimuli is called the discrimination threshold, or just noticeable difference. In some cases it is desirable low discrimination threshold, sometimes high discrimination threshold.

Learning - a relatively permanent change in behaviour that is the result of stimuli (behavioural, cognitive and visual learning, classical conditioning).

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[22] Hubspot: Emotional Advertising: How Brands Use Feelings to Get People to Buy [online]. [cit. 15th August 2017]. Available at: https://blog.hubspot.com/marketing/emotions-in-advertising-examples

Motivation (lat. Mover - motion) - stimuli should cause the human activity - mainly the purchase of a commodity. Among the sources of motivation belong: **habits** (innovators, conservative) - interests and overall lifestyle (e.g. interest in tennis) - idols (celebrities, what they dress, what they eat) and **values**. **Among the values belong:** value for money (a bargain, economical package, discounts, bulk purchases) - the time value (products that save time - the willingness to pay more) - the value of differentiation, uniqueness (custom production, the unique characteristics of the product, higher price) - health value (shoes, textiles, food, cars) - the value of love (buying gifts for others, parties organizing, celebrations) - the value of technical maturity (purchase of the most advanced technology) - the value of environmental protection (recyclable packaging) - the value of animal protection (vegetarians , rejection of fur and products tested on animals) – value of conformity (products which are not too outdated or too modern).

Perceptual distortion - individuals are exposed to many influences that tend to distort the perceptions and these are: physical appearance, stereotypes first impression (halo effect), hasty conclusions.

Persuasion - change of mind, attitudes or behaviour caused by some communication.

Selective attention - the tendency of humans to register from the many suggestions only those that meet the common needs or those which are expected or different from the others. Stimuli inducing activation: intensity stimulus, size and colour, emotional, rational and moral appeals, effect of surprise, novelty of initiative, uncertainty and conflict. Use of communication such as "How to look young and fresh?" "How to have the cleanest clothes?" "How to get rid of excess kilos quickly and effortlessly?" "If you order within 24 hours you get a gift!"

Selective remember - the message recipient can usually remember only what fits with their mental models and chooses a particular information that supports his or her opinions.

Sensory memory - all data transmitted to us through the senses (smell, colour and touch) and senses remain only a second or two. **Short-term memory** - state of real mind in which information is processed and kept only for a short time. If the information is repeated, then is transferred from 2 to 10 seconds into long-term memory. Number of information which may be in short-term memory is 4 to 5. **Long-term memory** - information last longer - a few minutes, days, years. Companies want to facilitate the transmission and storage of the product and the brand in the long term memory of customers. Brand visible images help to this process (Nike - tick, Adidas - three stripes etc.).

Sensory perception - the process of perception begins with something in the real world stimulating five human sensory organs: sight (print, TV, outdoor, Internet, POP etc.), hearing (Cinema advertising, TV, radio), smell (POP, part of print advertising – e.g. perfumes, spices), touch (print ad samples), taste (POP - tasting).

Subliminal perception - it is not scientifically proven that subliminal perception exists. Subliminal advertising is prohibited in Czech legislation. Opponents argue that it is interference in the free choice of man, it could be misused for commercial, political and promotional purposes. Numerous scientific experiments in this field have been constantly realized. Subliminal messages are defined as signals below the absolute threshold level (ATL) of our conscious awareness. The first thing we need to understand is that we cannot become consciously aware of subliminal stimuli even if we look for it. The use of subliminal perception in advertising is quite broad. By one definition, it is: "The use by advertisers of images and sounds to influence consumers' responses without their being consciously aware of it."

ALZA COMPANY – "SALES UP TO -200 %. NOW WE PAY YOU!" – SELECTIVE ATTENTION CASE STUDY

The type of discount of 200 % was something new for Czech customers but they have not heard about it before and therefore many of them were very interested in this campaign (see Figure 3-3). People who bought products in e-shop Alza.cz and agreed with their participation in contest they could win this type of discount. It means that these lucky winners did not pay for the bought product but at the same time they obtained the voucher at the same price level for next purchase in Alza e-shop.

Figure 3-3: Alza company - outdoor campaign

Source: Aktualne.cz [online]. [cit. 7st August 2017]. Available at: https://zpravy.aktualne.cz/vyprodej-az-200-na-alzacz/r~6762dfdcd81d11e6b13b002590604f2e/r~c4450b1ad81a11e681020025900fea04/

MARLBORO - A BLUR OF INGENUITY – SUBLIMINAL PERCEPTION CASE STUDY

When the EU banned tobacco advertising in July 2005, Marlboro was a sponsor of Ferrari - one of the most successful Formula One racing teams (sere Figure 3-4).

Figure 3-4: Marlboro logo as a hidden presentation

Source: Campaign [online]. [cit. 7th August 2017]. Available at: http://www.campaignlive.co.uk/article/marlboro-coke-kfc-used-subliminal-advertising/1383489

Keen not to lose out on the visibility of this lucrative partnership, the cigarette brand decided to make the most of a legal loophole. Forbidden from plastering the car with the Marlboro logo, the brand opted to stamp a rather peculiar barcode on Ferrari's racing cars. At first glance, this may look like an odd decision, but the barcode bore more than a passing resemblance to the Marlboro logo when flashing past F1 spectators at home and on the track.[23]

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[23] Campaign [online]. [cit. 7th August 2017]. Available at: http://www.campaignlive.co.uk/article/marlboro-coke-kfc-used-subliminal-advertising/1383489

4   SALES PROMOTION

Sales promotion covers a wide range of activities intended to provide a **short-term increase in sales.** Sales promotion will often be useful for low-value items and is particularly good for encouraging first-time purchase. It is also most effective when used as part of an integrated promotion campaign. (Blythe, 2003, p. 189)

While advertising offers a reason to buy, sales promotion is the incentive to purchase. Sales promotion offers buyers additional value, an inducement to generate an immediate sale. It cannot also change the long-term trends. The theory of **small impulse** explains that a short exposure may cause growing interest in using more of the product. Marketers use this effect offering free samples to motivate customers to buy and consume products. (Pelsmacker, Geuens and Bergh, 2003) On the other hand, sales promotion is often a threat of the long-term image because too frequent use of sales promotion tools may lead to the fact that the product (brand) can be considered as cheap and unwanted and it can also undermine a longer-term brand strategy.

It is very hard to say in percentage terms what is spent on sales promotions. Sales promotion´s role in the communications mix is very much dependent upon the context in which it is used. Estimates vary but a typical promotional budget of an FMCG would be 60-70 per cent on sales promotions with most of the rest on advertising. However, during last decade this has perhaps risen to 75 per cent. (Copley, 2004)

4.1   SALES PROMOTION DEFINITION

There are many definitions:

- Sales promotion is activity and/or material inducing sales through added value or incentive for the products to resellers, sales people or consumers. (Dibb and Simkin, 2007, p. 129)
- Sales promotion are a range of tactical marketing techniques designed within a strategic marketing framework to add value, usually monetary, to a product or service in order to achieve specific sales and marketing objectives. (Copley, 2004, p. 186)
- Sales promotion is marketer-controlled communication to stimulate immediate audience response by enhancing the value of an offering for a limited time. (Levens, 2012, p. 221)

The main reasons for the use of sales promotions can be reduced to four: (Fill, 2011, p. 304)

- As a reaction to competitor activities.
- As a form of inertia – this is what we have always done.
- As a way of meeting short-term sales objectives.
- As a way of meeting long-term objectives.

According to Cézar (2007, p. 89) sales promotion is extended, powerful, very visible hand of the advertising communication that reaches the point of sales. Due to this hand the customer should:

- change his/her mind in favour of another brand,
- find what he/she wants to buy,
- buy what he originally did not intend to buy,
- see, taste, look through and buy next time.

There are some advantages and disadvantages of sales promotion tools (see the Table 4-1 below).

Table 4-1: Sales promotion advantages and disadvantages

Advantages	Disadvantages
Flexibility and variability	Short-term, temporary effects
Immediate and visible shopping reaction	The high costs
New customers acquiring	Competitors imitation very easily
Impact on the purchasing habits of consumer goods	Threats to the long-term brand image
Stimulation of falling demand	
Positive customers acceptance	
Better feedback measurability compared to traditional advertising	
Good synergy with other elements of the marketing communication mix	
Neutralization of competitive events - the customers so called as "brand switchers"	

Source: Author´s work

4.2 TARGET GROUPS AND SALES PROMOTION TOOLS

Some sales promotions are aimed at **customers, some are aimed at retailers, others are aimed at sellers – staff,** but in all cases the intention is to provide an extra incentive to buy (or stock) a specific brand or product range. (Jahodová and Přikrylová, 2010)

Figure 4-1: Target groups of sales promotion
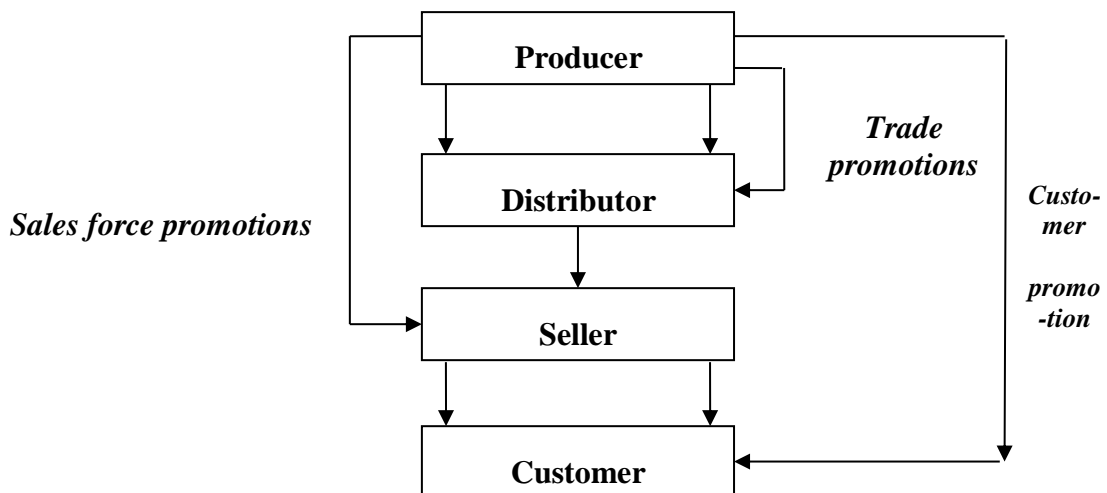
Source: Author´s work

The most important is **sales promotion toward consumers** and business customers, or members of the trade (retailer and wholesalers). Consumer promotions take many forms and they are designed to motivate consumers to try a product or buy it again by offering an economic

incentive. Consumer promotions offer marketers a higher degree of control and their effect can be easily measured through product sales, coupon redemption, and other consumer responses. **Trade promotions** are incentives offered to retailers to support their mutual business.

The text below will specify sales promotion tools based on target groups (see Figure 4-1 above).

Some sales promotion techniques – customers: (own formation according to Blythe, 2003, p. 190-192)

- Discounts, coupons (seasonal, multibuys, banded packs, reduced shelf price, extra-fill packs)
- Tasting, product sampling - in-home sampling (sending to the households), instore sampling (in the place of purchase), out-of-home sampling (in the street), point-of-use sampling (free sample of sauce when you buy a meat)
- Free gift with each purchase
- Money-off vouchers (couponing)
- Two for the price of one
- Loyalty programmes (clubs)
- Competitions, lotteries
- Trade fairs
- Events, Road shows
- 3D advertising - customers enjoy 3D advertising because of extra product value (they can get something useful and without paying for it) such as pencils, t-shirts, caps, umbrellas, cups, flash disks, calendars, …
- POP/POS displays
- Etc.

Some sales promotion techniques – retailers: (own formation according to Blythe, 2003, p. 190-192)

- Purchasing discounts
- Goods free of charge
- Promotional materials
- Cooperative advertising allowances
- Training and support
- Sales contests
- Events
- Buy-back
- POP/POS displays
- Etc.

Sales promotion techniques – sales force:

- Various types of motivation programmes (training, contents, promotional materials, discounted price of goods for own use, etc.)

4.3 SALES PROMOTION AT THE POINT OF PURCHASE

There was a time when below the line point of purchase materials were considered relevant only to cosmetics, perfumery, confectionery and other impulse purchases. Today merchandising techniques, where POP/POS displays are included, apply to a broader spectrum of markets, from consumer to industrial. Although vast budgets can be spent above the line on advertising to gain the customer´s attention or change an attitude, fewer resources are sometimes allocated to the crucial moment in the buying process – the buying cycle where the customer is physically in front of the product or service and is about to make a decision as to whether to buy or pass by the point of purchase. Indeed, merchandising techniques have spilt over into websites where goods and services are displayed. In a sense, merchandising and point of purchase are even more important in the online world. (Smith and Zook, 2012)

Marketing communication at the point of purchase is a very powerful tool because it reaches the customer at the moment of deciding to buy or not to buy a product or brand. Many customers decide in the shop and they do not know which brand to buy in advance. Therefore, more and more attention is paid to the communication at the point of purchase. The communication at the point of purchase can be also called as in-store marketing communication.

4.3.1 POP/POS DISPLAYS

POP/POS is an abbreviation for "point of purchase" (sometimes POS as point of sale) which literally means the place where a product can be purchased, and usually serves as a synonym for a retail outlet. The selection of suitable means of promotion for specific products (signs, posters, leaflets, video shows) is often made with regard to windows, shelves or at shop counters. One of the devices is a Q-TV, where suitable programmes are shown to queuing people e.g. in post offices, banks or supermarkets. (Kaftan, 2001, p. 237)

POP/POS displays influence the consumers at the place of purchase where it is not necessary to activate their memory functions. In many consumer markets the consumer´s final decision to buy is often made inside, and not outside, the store. It is said that about 75 % of all purchase decisions are realized at the point of sale. The percentage of impulse purchases are about 60 – 75 %, but it depends on the product category. An important source of further POP/POS displays functionality increasing is their cooperation with other communication tools used in communication campaign. (Boček et al., 2009, p. 16)

The principal tasks of POP/POS displays are:

- To remind all communications message, which were spread by other communication media, e.g. mass media.
- To provide detailed information related to the offered products (its specific utility values and benefits of purchase - price, packaging 3 for 2, gift associated with the product, etc.)
- To complete the marketing communication process and create an intense signal for impulse sales.

Other aspects of POP/POS displays include:

- Store image
- Packaging
- Store layout
- Presentation of goods (Merchandising)
- Environment in store (smell, temperature, lighting, etc.)

The purpose of POP/POS displays is to make a business owner's products appear more professional and appealing to the customer's eye. They are an integral component of successful marketing, but remain invisible to the average consumer. The customer is thinking about a particular product but often they are drawn to the one which is displayed in a more prominent fashion without knowing. Well done POP/POS displays will draw consumers to one product over another, or give one store the appearance of being more organized and clean. POP/POS display can be a simple plastic holder for a card with product information or it can illuminate a banner in an atmospheric light box. Mobile merchandisers, freestanding units made from wire, plastic or other materials are some of the tools being offered in the POP/POS display industry. Marketing and design combined with an inventory of POP/POS products complete a business owner's marketing needs in one stop. Some companies offer simple solutions for POP/POS displays, including the use of suction cups, poster holders, lobby displays and brochure holders. The variety of POP/POS displays is as varied as the kinds of businesses which use them.[24] The Figure 4-2 shows the POP/POS displays classification and the Table 4-2.

Figure 4-2:   POP/POS displays classification
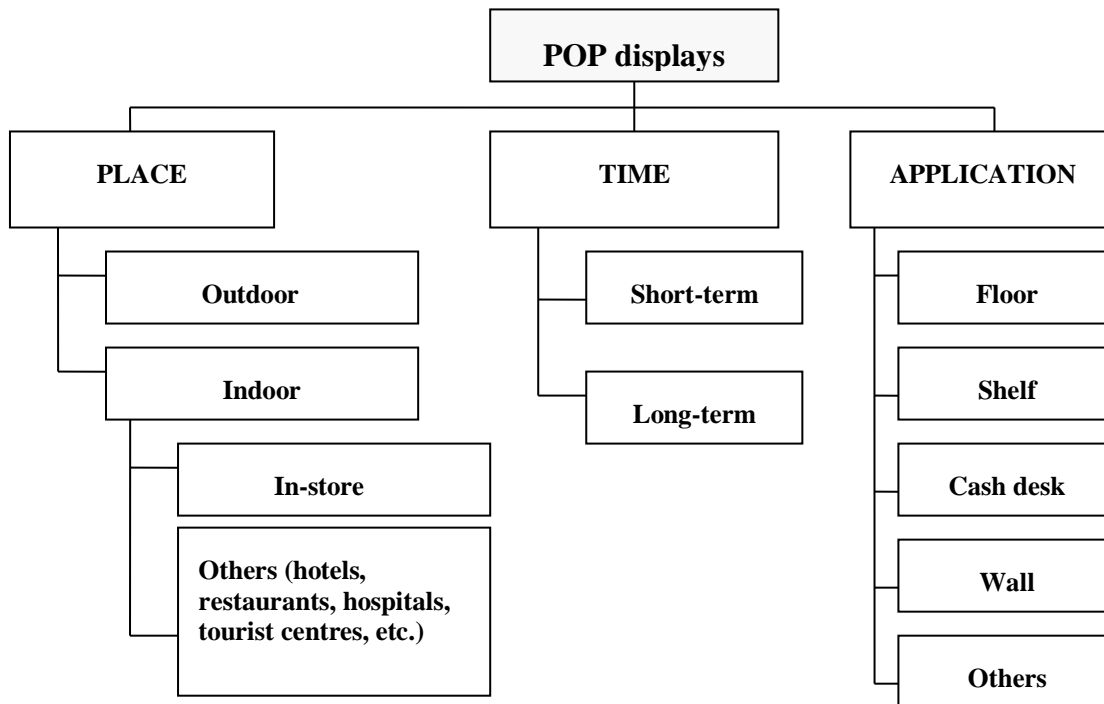
Source: Boček et al. (2009, p. 18)

Table 4-2: The selected most common alternatives of POP/POS displays

A-stands	Leaflet holder	Shelftalker
Brand communicator	The place around cash desks	Shelftray
Bundling	Multipack	Shop in shop
Price tag	Onpack, Inpack	Sticker
Premium locations	Facing	Tester
Wobbler	Hanger	Window displays
Posters	Plasma screens	In-store sampling

Source: own formation according to the professional articles at www.istrategie.cz

In the area of POP/POS displays the **Point of Purchase Advertising International (POPAI)** has the important role. POPAI, established in 1936, is the leading non-profit international advocate and voice of the in store marketing industry. It is composed of chapters worldwide and serves more than 1,400 member companies internationally. It promotes, protects and advances the broader interests of its community through original research, certified education, awarding industry excellence, hosting trade forums and protecting intellectual and legislative rights.[25]

4.3.2 MERCHANDISING

Merchandising is a specific area of sales promotion, the purpose of which is to achieve maximum persuasion at the point of sale. It concentrates on attracting consumers to specific shops in order to satisfy specific needs through specific products. Sometimes the term is used for the planning and supervision involved in the marketing of products. It concerns factors (time, place, volume, price) influencing the marketing objective. (Kaftan, 2001, p. 237)

Shortly, **Merchandising or „5R"**: (Matušínská, 2007, p. 88)

- Right product
- In right place
- In right time
- For right price
- Supported with right presentation

Merchandising is a comprehensive care of goods and POP/POS displays at the point of sale, including the care of the visual aspect of the store. (Jurášková, Horňák et al., 2012, p. 134) The aim of merchandising is to change the passive offer to the active offer.

Not only clear and concise information are transfer through merchandising, but it is created the type of shop environment that must be "friendly and inviting". The seller, of course, pays attention to sales maximize. This can be achieved by a proper distribution of goods at the point of sale to navigate customers and stimulate them to buy in complex way. In this context, **cross-merchandising (trade compatibility)** as the specific sales technique can be mentioned. It reminds the customer of related end-use products, which are carefully positioned beside each other (tea – mugs, shoes – socks, toys – sweets, pasta – pasta sauce, shirts – ties, etc.).

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[25] POPAI [online]. [cit. 19th April 2014]. Available at: http://www.popai.com/about-popai/

Merchandising techniques such as display and store design are therefore vital communications tools that can guide a buyer towards making a purchase. They are often the last chance to communicate with the buyer. Merchandising does not apply just to the traditional retail outlets of supermarkets, garages and department stores, but also to DIY stores, brown-goods retailers (stereos and TVs), corner shops, office-equipment showrooms and cash-and-carry wholesalers. (Smith and Zook, 2012)

Skillful supplier merchandising requires an ability to empathize with both the customer and the retailer/wholesaler (distributor). Understanding customers is one thing. Understanding distributors and their perspectives, goals, strategies and tactics is another. It is easy to grasp the importance of maintaining the theme of an advertising campaign inside a store with carefully designed POP/POS displays. It is not so easy to understand when, why and how a retailer will allow its space to be used for such in-store promotions and display, i.e. what its merchandising policies are and how to operate within that framework. (Smith and Zook, 2012)

4.3.3   THE POWER OF SENSORY MARKETING

A motivated consumer is ready to act – how is influenced by his or her perception of the situation (see Figure 4-3). In marketing, perceptions are more important than reality because the affect consumers´ actual behaviour. Consumers perceive many different kinds of information through their senses.

Figure 4-3: Model of consumer behaviour and the power of perception – sensory marketing
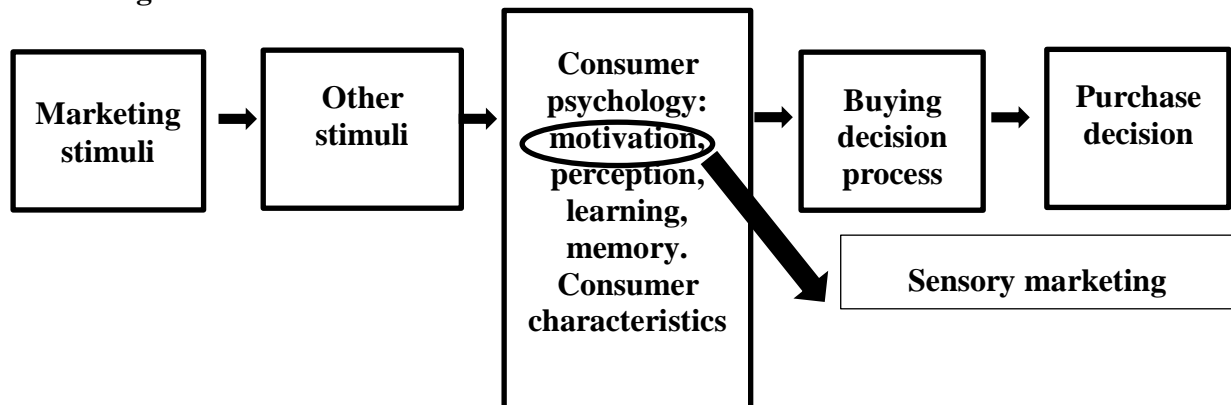
Source: own formation according to Kotler and Keller (2016, p. 187)

Sensory marketing is as application of the understanding of sensation and perception to the field of marketing. All five senses may be engaged with sensory marketing: sight, sound, smell, taste, and feel. **Touch** is the first sense to develop and the last sense we lose with age. **Scent-encoded information** has been shown to be more durable and last longer in memory than information encoded with other sensory cues. **Ambient music** in a store has also been shown to influence consumer mood, time spent in a location, perception of time spent in a location, and spending. Humans can distinguish only five pure **tastes:** sweet, salty, sour, bitter, and umami. Umami comes from Japanese food researchers and stands for "delicious" or "savory" as it relates to the taste of pure protein or monosodium glutonate. Many visual perception biases or illusions exist in day-to-day consumer behaviour. For example, people judge tall thin containers to contain more volume than sort fat ones, but after drinking from the containers, people actually feel they have consumed more from short fat containers than tall thin containers, over-adjusting their expectations. (Kotler and Keller, 2016, p. 189-190).

Sensory marketing explains how sensory aspects of products (i.e., the touch, taste, smell, sound and visual aspects) affect consumer emotions, memories, perceptions, preferences, choices and consumption of these products. It is marketing that engages the consumers´ senses and affects their perception, judgment and behaviour. In the short term we remember just 1 % of what we touch, 2 % of what we hear, 5 % of what we see, 15 % of what we taste and 35 % of what we smell.

Effective colour choices can play a very important role in sensory marketing (see Table 4-3). Certain colours evoke specific emotions and can be used to set a mood or attract the eye. In the unfortunate event the target should forget the product name, often the use of unique colour combinations on packaging can help with recall when determining which product to purchase. Colours can make people feel warm, cold, stressed, or lethargic. It is known that sun should be yellow and the sky blue. The elegance, reassurance, or casualness of a colour comes from life´s experiences. (Blakeman, 2015, p. 82)

Table: 4-3: Selected colour and its emotion

RED	Red is a dynamic and dangerous colour with great strength. It can signify passion, lust, and heat as well a blood, fire, and revolution. **Red is great for men´s products or any product requiring a warning label. It also works well for impulse products such as candies.**
ORANGE	Orange reflects the autumn harvest, fire, and the heat of the sun. Orange is a weighty colour, suggesting depth and volume. It evokes intense feeling, energy, and inspiration. **Products that work well with orange include pasta, precooked entrees, and insect repellants.**
YELLOW	Yellow is welcoming, open, and vivacious. Yellow is a light, warm or comforting, upbeat colour suggesting laughter. Yellow takes on more weight and stands out when combined with a dark colour. Most products will work with yellow or yellow highlights, but some of the obvious include **vegetables, fruits, sun products, hair products, or paper products.**
GREEN	Green is a relaxing colour. It is a colour of nature, cleanliness, good health, and money. **Green is a good choice for products such as vegetables, garden equipment, tobacco products, pickles, and pasta.**
BLUE	Blue is an earthy colour, signifying water, the sky, and ice. Blue, depending on its hue, can be light or depressing. Blue is a relaxing and refreshing, youthful colour that supports make-believe ideas and intelligence. **Blue can represent such products as soups, cold beverages, travel, or frozen-food products.**
BLACK	Black symbolizes sadness, isolation, and death or the need to set something apart or end something. Black can also denote elegance, honor, and dignity. **It is often used for expensive products such as jewelry, cars, perfumes, or liquors.** Black can also be used as an accent colour to pop lighter, more vibrant colours off the page.

Source: Blakeman (2015, p. 83)

The application of sensory marketing is typical exactly at the point of sale, this is called as sensory merchandising, which represents a new form of in-store marketing. It uses factors which create an atmosphere in the store (music, smell, color, taste and tactile elements) and give the consumers a positive response for the purchase of certain kinds of goods. Psychological studies have shown that the environment can affect mood, emotional reactions, thoughts and

physical reactions of individuals. Sensory merchandising examines the way how the customer responds to the physical retail environment. While the visual and auditory cues are widely used in this respect, the importance of olfactory, gustatory and tactile perception is increasingly explored and understood. As with all marketing strategies, sensory branding has its limits. Indeed, each consumer, according to his or her experience or culture, has their own reference system and perception. For this reason, sensory branding has to have a localized approach and can't be universal.

THE MEANING OF SENSORY MARKETING: VARIOUS CASE STUDIES

Courvoisier cognac wants to tempt its target through sensory marketing. The campaign entitled "Le Nez de Courvoisier" explores the nuances that make up the emotion tied to the specially selected music to enrich the sensory experience of drinking Courvoisier. For example, if the target enjoys the candied orange flavour, he can listen to music that suggestively brings out that sweet and tangy taste. Additional offerings like crème brûlée and gingersnap also have accompanying musical offers for consumers to choose from. (Blakeman, 2015, p. 297)

Starbucks is the world largest chain of coffee shops, with around 40 million visitors per day. A visit to Starbucks is much more than a cup of coffee. By using a sensory marketing framework the company creates a deeper and more personal relationship with its customers. This is achieved by involving all five human senses to offer the customer total sensory experience. As early as the 1980s Starbucks developed a strategy for creating and delivering a sensory experience to consumers as a way to strengthen the brand. Giving the brand further aesthetic and emotional values and dimensions was seen as essential to creating a view of the chain as a third place outside of home and work. A visit to Starbucks should be an experience for the mind and the heart. The inspiring environment makes it comfortable to read a book or talk with friends. The green and yellow of the interior, together with pleasant lighting, offer a soothing and restful visual experience. The relaxing music is selected with precision and care by the Starbucks content team to create the "sound of Starbucks". Add to this the smell and taste of the freshly grounded coffee, as well as the comfortable texture, solidity, and shape of the armchairs, and you have the characteristics of the sensory experience of the brand.

Singapore Airlines is an example of a successful olfactory marketing company. Singapore Airlines introduced Stefan Floridian Waters, an aroma. An aroma which has been specifically designed as part of Singapore Airlines. Stefan Floridian Waters formed the scent in the flight attendants' perfume, was blended into the hot towels served before taking off and generally permeated the entire fleet of Singapore Airlines planes. The patented aroma has since become a unique and very distinct trademark of Singapore Airlines.

One example that illustrates how sensory marketing influences behaviour through conscious perception is the **German wine and French wine experiment** (see Figure 4-4).

Figure 4-4: Sensory marketing: German wine and French wine Experiment

In an experiment conducted in a British supermarket, a selection of German and French wines of the same price and sweetness were displayed (see Figure 4-4). The store then played German and French music on alternate days. What happened next is intriguing: sales of German wine increased on days when German music was played, and the same occurred with French wine when French music was played. Interestingly, even though the consumers in this case could hear in-store music, very few of them reported music as a main factor in their choice of wine. Needless to say, sensory marketing works best when we don't notice them.[26]

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[26] Are you being influenced by subliminal messages? [online]. [cit. 7th August 2017]. Available at: http://blog.visme.co/subliminal-messages/

5 PERSONAL SELLING

In some countries, personal selling is perceived as an effort to sell as many products using unfair business practices, persuasion and coercion. But this is not the real personal selling. After a long development, personal selling evolved from one-off sales to relational marketing, thus creating long-term relationships with customers. Also, changes in technology have allowed personal sales shift to greater speed and convenience for both personal dealer and the customer.

5.1 PERSONAL SELLING DEFINITION

Personal selling can be understood as the process of influencing the customer through personal contact and can be considered a very effective marketing communication tool especially in a situation where we want to change preferences, stereotypes and habits of consumers. Thanks to their immediate personal action, personal selling is capable to be much more effective than conventional advertising and other marketing communication tools to influence the customer and convince him of the merits of the bid. However, the reach of personal selling compared with advertising is much more limited and mainly very expensive in the calculations of relative indicators of the CPT. (Pelsmacker, Geuens and Bergh, 2003, p. 463-464)

The greatest advantage of personal selling in comparison with other instruments of communication mix can be considered the direct contact between the company and the customer, which also brings continuing benefits: instant feedback, personalized communication and thus greater customer loyalty. If the seller is in intensive and direct contact with customers, he can better understand their wants and needs, their individual expectations and motivation. This makes him subsequently able to prepare customer offer individualized and tailored to their needs. Direct contact also allows dealers to modify communication to the needs of each individual customer and use of such arguments that bring customers to the right decision. Immediate feedback allows the seller to provide the right communication strategy that can in principle be adjusted at any time based on the responses and reactions of the customer. (Karlíček and Král, 2011, p. 149)

The main task of a seller is to identify the needs of customers, propose and ideal solution, not a "hard" sell. Another objective of personal selling is the presentation of the company. Personal selling is an important factor in building a company's image. In particular, the industrial market has customer contact mostly with the seller, and therefore the way of his behavior, clothes, reveals his company's image. The seller is actually "image agent" of the company. The same importance has the seller as a representative of customers by collecting their feedback, different views and ideas, which are then brought to the firm. Personal selling has many advantages, but also disadvantages, as all communication tools. (Pelsmacker, Geuens and Bergh 2003, pp. 464)

Other benefits of personal selling include building long-term customer loyalty. This means that the seller knows his customers very well, has all the necessary information about them and is able at any time to react to unexpected problems that customers may encounter. As a result, it creates a kind of added value and customers do not want to lose the care. The main issue of personal selling is the cost. When comparing the CPT of personal sales with advertising costs, then we have to admit that personal selling is very expensive. But if we look at personal sales from the perspective of a company that needs to reach and satisfy very specific group of customers, which cannot be reached by other communication channels, then we realize that personal selling is very cheap tool. (Karlíček and Král, 2011, p. 149)

On the side of disadvantages, we will have to include the aversion of B2C market in the Czech Republic to dealers (but on B2B it is very effective). It is also necessary to take into

account that the above-mentioned advantages are time consuming, which may negatively affect the costs of the activities of the company. This time demands also means a small number of customers can be served at a particular time. Providing high quality personal selling also needs a constant training of employees. And even after training the company can never be quite sure whether the personal seller communicates in a way that corresponds to the strategy of the company. (Karlíček and Král, 2011, p. 150)

Table 5-1: Advantages and disadvantages of personal selling

Advantages	Disadvantages
Influence	Costs
Targeted communication	Reach and Frequency
Interactivity	Control
Relations	Consistency
Coverage	

Source: Pelsmacker, Geuens a Bergh (2003, p. 468)

5.2 TYPES OF PERSONAL SELLING

Different sales tasks require different sales communication activities. Basic types of sales by target groups can be divided as follows:

- **Retail sales** are focused on selling products to commercial organizations, such as hypermarkets, supermarkets, etc.
- **Order sales** are repeated purchases, i.e. a situation where the purchase takes place without a presentation. If for some reason the quantity or quality of the product ordered is changed, then it is called a **modified repeated purchase**. (Jahodová and Přikrylová, 2010, p. 128)
- **Missionary sale** is informing and persuading not the direct customers, but rather customers of the direct customers. A good example can be the pharmaceutical sector. Sellers of pharmaceutical companies are trying to persuade pharmacists for the purchase of goods and also the local doctor to prescribe the medication. Direct customers of the pharmaceutical industry are therefore wholesale, not pharmacists and doctors.
- **Retail** is focused on direct contacts with final end customers.
- **Business-to-business sales** are focused on components, semi-finished or finished products and services for other companies.
- **Professional sales** focus on influential people, decision makers, trend setters and organizer. For example, a company will make an attempt to influence architects and designers to include a specific product in their plans and offers.

5.3 PERSONAL SALES PROCESS

The process of personal selling is a set of steps in set order that the retailer must perform to achieve his goal to sell. **The aim is to establish, maintain, deepen and enlarge lasting, mutually beneficial relationships.** (Matušínská, 2007, p. 95)

Different authors define the sales process differently. One possible approach is to use the AIDA model applied to personal selling, see Table 5-2.

Table 5-2: Stages of a sales process

Customer reactions	Steps	Seller activity
Attention	1	Identification and estimation of potential customers
	2	The first contact with the customer Schedule preliminary testing
Interest	3	Presentation - description of product properties and their relation to customer needs
Demand	4	Product demonstration / services on site
	5	Resolve customer objections
Action/behavior	6	Closing of the transaction, the customer's statement of intent to purchase a product
	7	Aftersales activity of the seller to ensure repeat purchases, early customer loyalty, enhancing satisfaction with the purchase

Source: Přikrylová and Jahodová (2010, p. 129)

Another possible view is the one created by Pelsmacker, Geuens and Bergh. Although every sale is somewhat different process according to the type of business, customer and his needs, we can say that the sales process has several stages (Pelsmacker, Geuens and Bergh, 2003, p. 468-473):

1. Identification and qualification of potential customers (prospecting)

- Profiling of potential customers - products offered by the company usually do not interest all customers equally. The first task is to think about who might want to buy the product. The STP process can be utilized for this task.
- Compiling a list of potential customers - search is possible in various ways, for example in different directories, direct addressing, sending direct mail or telemarketing, exhibitions and fairs, buying databases, etc.
- Qualify potential customers - qualified potential customer is the one about whom we know that he needs the product, has the power to buy and is able to pay for it.

2. Preparation of first contact

It is important that the trader prepares statements (the message that needs to be delivered to the customer) and determines what he wants to achieve and how to proceed in case of refusal.

3. Making contact

The process of making contact consists of two steps: obtaining access to the client and creation of mutual understanding and emotional harmony that begins when the seller enters client's office. The first impression is very important, therefore it is necessary to prepare well for this entry.

4. Analysis of customer needs

At this stage of the process, the trader must uncover the real needs of the customer, i.e. what values and benefits are sought and expected. A key skill is thoughtful questioning and active listening.

5. Presentation

During the presentation dealer explains the individuality of the product and its aspects important for the client in relation to the discovered needs. There are three basic types of presentations (Pelsmacker, Geuens and Bergh, 2003, p. 471):

- Tailored presentation - according to the needs of the client, it is deemed the most appropriate. However, it is very challenging and only experienced dealers can cope with it well (it is also time consuming).
- Organized presentation - sellers are using the structure or checklists prepared by the company and only comment the slides. It is a suitable form for new and inexperienced dealer, as it helps them to not forget anything.
- Standardized presentation - is strictly structured and prepared in advance by the company. It has the form of a show, i.e. screening with commentary (like at the shows), reading brochures or delivery of materials. Transmission of such material is suitable for doorstep selling.

6. Dealing with objections

Objections occur most often during the presentation, and therefore the seller must be prepared in advance to flexibly react.

Techniques for solving of objections (Pelsmacker, Geuens and Bergh, 2003, p. 471):

- The boomerang method - allows changing the objections into reasons for purchase.
- Turn the objection into a question and have it agreed upon by the customer.
- A third person - appeals to the experience of others with the product.
- Rejection - disagreement with the client, which can be risky. Can only be used if it can be clearly demonstrated that the client is wrong.

7. Agreement

The assumption that the closure of a deal naturally follows the previous steps carefully may not always be true. To identify a suitable time for closing the deal, the seller should the signals transmitted by the client, such as gestures, warranty issues, possible discounts or delivery dates. If the seller is too hasty with an attempt to close the trade, he may create customer's shopping resistance. (Lyková, 2002, p. 77)

8. After sales care

The sale does not end when signing the contract because the seller must take care of the customer after the sale, i.e. to check whether he was satisfied with everything related to the delivery. It is necessary to cultivate a relationship with a view to establishing long-term relationships, which are key elements of future sales. Among the follow-up steps we can include not only after sales care of acquired customers, but also contacting those who did not buy. Sellers should keep information about objections, decision makers, clients' needs and the reasons why the business was closed. All this should be used to ensure that the following sales will be successful. (Pelsmacker, Geuens and Bergh, 2003, p. 473)

5.4 STRUCTURING OF SELLERS

Structuring of sellers can be done in four different ways that can be combined for specific tasks (Pelsmacker, Geuens and Bergh, 2003, p. 474-475):

- **Geographical structure:** alternative based on geographical distribution, the seller is allocated to a certain territory, in which he sells all products.
- **Focus on product:** this alternative is based on the seller allocation to a particular product or product line, whose sales he specializes in.
- **Customer orientation:** alternative based on contact with certain customers, whom the trader sells a product, such as banks, schools, metallurgic companies, etc.
- **Functional specialization:** alternative based on the function/activity, the sale is divided into a number of activities on which the different sellers specialize. Customer is being served by a team of specialists, where one focuses on the contract, the other on the installation and another on additional services, etc.

Advantages and disadvantages of the mentioned alternatives of sellers structuring are shown in Table 5-3.

Table 5-3: Advantages and disadvantages of different sellers' structures

Structure	Advantages	Disadvantages
Geographical	• Reduced travel costs and thus lower overall costs • Visible division, who is responsible for whom, one vendor for one customer	• The seller must sell all products • Difficult for dissimilar, complex products, the inability of specialization • Risk that more attention will be given to products which are sold more easily
Product	• Expertise in products and sales processes • Better control of sales performance	• High travel costs • Duplicity in contacts
Customer	• Better understanding of customer needs	• Higher costs • The seller must sell all products, but customer needs are similar
Functional	• Customer orientation • Specialization	• Duplicity of contacts

Source: Pelsmacker, Geuens a Bergh (2003, p. 476)

5.5 SELLERS' REMUNERATION

There are three basic ways of remuneration, which include direct wage, direct commission or a combination of both. Method of direct wage offers sellers a fixed salary for a specific period and is useful when it is difficult to assess their performance. This happens in a situation where the seller must perform many non-sales activities and where the aim is primarily to build relationships with prospective clients. Method of direct commission offers sellers a percentage of sales or profits, and is suitable for when you want to achieve a quick sale. The combination of both methods is the most commonly used procedure - fixed wage is associated with commissions or bonuses. It is suitable for situations where the company wants to control costs while favoring additional sales. (Pelsmacker, Geuens and Bergh, 2003, p. 478-479)

Table 5-4: Characteristics of remuneration schemes

Method	Advantages	Disadvantages
Direct wage	• Greater control over the level of wages • Lower wages for the seller in the field • Greater control of activities • Easy feasibility • Secure facilities for the seller • Increased motivation to help the customer than to sell	• No incentives, no extra effort • High fixed labor costs • Increased need for supervision
Direct commission	• Maximum incentives • Less need for control • Easy feasibility • No fixed labor costs	• Less control of activities • Low motivation to perform non-sales activities • Services for the best clients • Large differences in sellers wages • Cost of sales is difficult to predict
Combination	• Income security • Change of costs of sales when changing sales • A small control of activities	• The incentive for greater effort • Difficult feasibility • More difficult to anticipate costs • Higher cost of sales

Source: Pelsmacker, Geuens a Bergh (2003, p. 479)

5.6 MULTILEVEL MARKETING

Multilevel marketing inherently builds on the principles of direct sales of goods that have been applied in the early 19th century. It is a direct sale through a distribution network of independent distributors who gradually acquire, train and motivate new resellers. One of the most famous is American Amway Corporation, founded in 1959 by R. De Vos and J. Van Andel. The advantage of commercial business through MLM is that the entrepreneur can start with relatively minimal financial costs and due to the fact that the entrepreneur does not usually create supplies and only delivers goods that are ordered by individual customers, the risk of loss of business is relatively low. (Matušínská, 2007, p. 101)

Multilevel marketing (MLM), also in other words, network marketing is a system that brings together two marketing strategies - direct marketing and franchising. Entities that use this system mainly engage in direct sales of products through their representatives have more or less similar systems of redistribution commissions. The problem of multilevel marketing in the Czech Republic is that it is oftentimes mistaken for illegal practices called the "pyramid". For these practices, nothing is really sold but the money is only generated by new members. New member must usually pay a larger sum or buy goods sold for a certain amount. Right multilevel marketing but does not have the above-described functioning nothing. (Matušínská and Stoklasa, 2012, p. 90)

In a classical system, the product is produced for a hundred CZK, then it is sold to wholesalers, warehouses, carriers, dealers, retailers and ultimately the consumer buys it. To inform the consumer about the product, it is necessary to create a communication campaign and

pay for its implementation. What was worth a hundred CZK may eventually be sold for a triple price. It is a long and expensive journey. (Matušínská 2007, p. 101)

In the case of multilevel marketing, the traditional intermediaries are skipped and part of the money saved goes directly to sellers that represent the classic work of intermediaries. In addition, the sellers get more money saved as part of the work of people who are in their structure. The rest of the money saved is used for product development, or to reduce the final price of the product. We can say that MLM is a system that prevents waste. The saved money is split between buyers, sellers and promoters. Through MLM, a company can enter a market with an exceptional product, even though it does not have enough money to enter the market in a classic way. (Matušínská 2007, p 101)

5.7 BODY LANGUAGE AS A POWERFUL TOOL OF PERSONAL SELLING

Sales interview uses verbal and non-verbal (body language) communication. Nonverbal communication has considerable merit for a communication element such as personal selling. To establish contact with the partner we use not only words but also all other (non-verbal) signals which are transmitted and that create 55 % of added information conveyed verbally. Nonverbal expressions give emphasis to what is spoken. (Wage, 2002, p. 18)

The sight speaks of confidence and respect for each other. Mimics inform about emotions, it is relatively the easiest to read and imitate (smile, frown, etc.). The voice, his height, color, melody, intensity, it all reveals psychological stress or relaxation (monotone voice expresses tension, melodic release, high voice stress). Very loud verbal speech is a sign of a desire to control communication. Gestures are the guided of verbal communication. Excessive use of gestures indicates an increased emotion. Interpersonal distance expresses relation to a person in the sense of inferiority and superiority and in terms of likes and dislikes. (Wage, 2002)

Nonverbal communication consists of a number of components, which include (Wage, 2002):

- **gesture** – speech of arms,
- **haptics** - speech of touching,
- **kinesics** - speech of movements,
- **facial expression** - speech of facial muscles,
- **paralinguistics** - acoustic phonetic elements in speech,
- **visics** – speech of eyes,
- **use of voice** - various modulations, tone,
- **posturology** - language of stances,
- **proxemics** - spatial distance of a speaker. There are 4 types of communication distances: intimate, personal, social and public (all types of dialogues between seller and the customer should take place in a personal distance).

BODY LANGUAGE AROUND THE WORLD

Head: Nodding head generally means agreement or approval. But Bulgarians and Greeks, for example, are known for their unusual manner of saying yes or no: nodding up and down signifies a negative. In China, when talking with someone who is older than you, you should lower your head and bend slightly to show respect.

Eyes: Good eye contact is expected in the West. Strong eye contact is most notable in Spain, Greece and Arab countries. Finns and Japanese are embarrassed by another´s stare, and seek eye contact only at the beginning of a conversation.

Ears: The Portuguese tug their earlobes to indicate tasty food, but in Italy this gesture has sexual connotations and in Spain it means someone is not paying for their drinks.

Nose: A hearty nose blow into a handkerchief is typical in the West, while public nose blowing is frowned upon by the Japanese. Tapping your nose means "confidential" in England, but "what out" in Italy.

Lips: In some cultures – Filipino, Native American, Puerto Rican and many Latin American cultures – people use their lips to point, instead of a finger. In the West, people often kiss when they meet or when they say goodbye; in many Asian countries, it is considered too intimate of an action to be displayed in public.

Arms: Many cultures use their arms freely, as in Italy, where they often wave their arms around when talking, or the US. But northern Europeans find it hard to tolerate gesturing with the arms, associating it with insincerity and over-dramatization. In Japan, gesturing with broad arm movements is considered impolite.

Hands: The American "goodbye" wave can be interpreted as the signal for "no" in many parts of Europe and Latin America. The Italian goodbye wave can be interpreted by Americans as "come here". The American "come here" gesture can be seen as an insult in most Asian countries. In Malaysia it is taboo to point with your index finger, but you can point with your thumb. "Thumbs up" is used in many cultures, none more so than Brazil however, where the signal is used everywhere. However, it´s a rude sexual signal in some Islamic countries, Sardinia, and Greece, and can signify the number 1 in France. People of different statuses in China do not shake hands. Shaking hands is reserved for those who are of the same social status, are friends, or interact as business people.

Legs: Sitting crosslegged is common in North America and some European countries, but it´s viewed as disrespectful to show the sole of your shoe to another person in Asia and the Middle East.[27,28]

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[27] Study: Body Language in Different Cultures [online]. [cit. 6th August 2017]. Available at: http://study.com/academy/lesson/body-language-in-different-cultures.html
[28] BusinessInsider: The shocking differences in basic body language around the world [online]. [cit. 6th August 2017]. Available at: http://www.businessinsider.com/body-language-around-the-world-2015-3

6 PUBLIC RELATIONS

Each company has in addition to the relationship with customers, suppliers and customers, also other "publics" that are important to it. The public is a group of people who have some influence on the company. Public relations (PR) describe a broad range of activities that promote positive public opinion on the company. (Kotler and Keller, 2007, p. 632)

PR originally included only the position of press secretary, whose main activity was to bridge the gap between the opinion of the company and view of the media on its activities. Maintaining contacts and generate goodwill is very difficult process that is why large companies must create PR departments that are responsible for a variety of activities. These activities can be divided into five missions (Kotler and Keller, 2007, p. 632-633):

- **Press relations** - presentation of news and information about the company in the best light.
- **Product publicity** - effort to disclose information about the specifics of the products as efficiently as possible.
- **Corporate communication** - promoting understanding of the company through internal and external communication.
- **Lobbying** - meeting with government officials and lawmakers on future legislative action.
- **Advice** – for the high management of the company about the image in the eyes of the public.

In practice, a series of marketing activities are very often connected. PR is the part of BTL activities. However, there is a very close link with the advertising and media as part of ATL. The main aim of advertising is to make sales of goods or services that the company offers, while PR is responsible for selling the company's reputation, inspire confidence, etc. PR occupies a specific position within the communication mix. We can call it the managerial function of the whole marketing communications.

6.1 PUBLIC RELATIONS DEFINITION

Public relations represent planned and systematic efforts to achieve and maintain the reputation and mutual understanding between an organization and its public.

Public relations are the management function that establishes and maintains mutually beneficial relationships between organizations and the publics, on which depend its success or failure. (Cutlip, Center and Broom, 2000, p. 12)

PR is purposeful and planned long-term effort towards mutual understanding and harmony between organizations and the public. At the same time it is a management function that establishes and maintains mutually beneficial relationships between organizations and various groups of the public, whose attitudes and behavior determine the success or failure of an organization. (Pelsmacker, Geuens and Bergh, 2003, p. 301)

Building good relationships with different target groups through the acquisition of favorable publicity, building up a good "image of the company", solution and avoidance of adverse rumors, legends and events. The main PR tools include press relations, product publicity, corporate communications, lobbying and consulting. (Kotler, 2007, p. 888)

From a historical perspective, we can distinguish four working models of public relations, which have been used:[29]

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[29] Web portal APRA, 2013. [online]. [cit. 21st May 2013]. Available at: http://www.apra.cz/cs/

- **Press agencies/Publicity model** - this model has used unilateral dissemination of information to ensure publicity, regardless of the veracity and relevance.
- **Public information** – the first press release was published (IL Lee, October 28, 1906). Principles used in this approach were true, correct and timely information to the public.
- **Two-way asymmetric model** - this model focuses on the bidirectional communication of two groups, namely a company and the general public, but the communication is asymmetric, i.e. that the company takes into account the feedback, but it communicates more. A pioneer in the use of this model is E. Bernays (author of the term PR), who demonstrated the use of scientific knowledge in this model.
- **Two-way symmetric model** - two-way communication, in the latter model is symmetrical, i.e. the feedback is obtained from the public continuously.

The goal of public relations is to build relationships with the press, generate information of interest to the media or to pass information to the media for the purpose of attracting attention to a particular person, product or service. Another important task of the PR is promoting awareness about the company, its reputation and build trust. An equally important task is also gaining publicity for a particular product. A very important goal of PR is also strengthening and maintaining relationships at the local, national and international levels, as well as building and maintaining good relationships with legislators and officials to influence legislation and other law (lobbying). Quality PR should focus on maintaining good relations with shareholders and other members of the community, but should not forget also to develop relationships with members of non-profit organizations and strengthen community development. (Kotler, 2007, p. 888-890)

6.2 TARGET GROUPS OF PR

The target groups of PR activities include internal and external public. Internal public relations are also called Human Relations and it includes mainly employees of the company. In addition to internal public relations activities are focused on the external public, which is divided into four main groups, as shown in Table 6-1.

Table 6-1: Target groups of PR

Internal	External			
Employees	**Public relations**	**Financial**	**Media**	**Marketing**
Families of employees	Public	Investors	TV	Suppliers
Unions	Local communities	Bankers	Radio	Distributors
Shareholders	Government	Consultants	Press	Competition
	Interest groups	Stock exchange		Wholesalers
				Retail

Source: Pelsmacker, Geuens a Bergh (2003, p. 306)

According to the chosen target group we have to use different tools, see Table 6-2.

Table 6-2: PR tools according to various target groups

Internal	External			
Consulting	**Public relations**	**Financial**	**Media**	**Marketing**
Open Days	Advertising	Advertising	Press releases	Product location
Internal presentation	Annual reports	Annual reports	Press conferences	Meetings
Training programs	Company events	Meetings	Interviews	Sponsoring
Team projects	Sponsoring			Events
Team meetings	Brochures			Brochures
Social activities				
Business bulletin				
Internal direct mail				
Annual reports				
Mailboxes for suggestions and comments				

Source: Pelsmacker, Geuens a Bergh (2003, p. 311)

6.3 INTERNAL PR – HUMAN RELATIONS

Internal PR is nowadays seen as an integral part of general PR. In order to have a successful PR, a positive harmony is needed within the organization. Such harmony can only be achieved if internal communications is working properly. In practice, this means that the internal PR must be built in the long term and not just in times of crisis. (Svoboda, 2009, p. 88)

Internal PR is the means by which the company communicates within itself. The basic tool is the information, by which the company encourages employees to identify with the company. Other instruments are various forms of direct contact, which can be done through appointments, meetings, conferences, seminars, etc. Other good tools for internal communication are boards, letters, periodical newspapers, brochures, catalogs, reports to shareholders, and annual reports.

The ideal relationship between the owners or managers and employees requires a true and regular communication.

To create harmony at the workplace it is important to follow these 7 rules:

- complete and true information flowing freely up, down and sideways,
- credibility and trust between employer and employee,
- healthy and safe working conditions,
- fair and equitable remuneration,
- conflict-free workflow,
- job satisfaction of each employee most of the time,
- pride in the organization and optimistic view of the future.

Neglecting communication will stimulate the creation of myths and misconceptions and enable the creation and enforcement of a distorted image of the company.

6.4 CORPORATE SOCIAL RESPONSIBILITY (CSR)

It is the way how to build reputation without resorting to image-based advertising – to publicise the good things the firm is doing. Many firms chose to support a worthwhile cause, often a charitable cause, so that the organisation is perceived as a good corporate citizen and or socially responsible. This can take the form of sponsorship or a simple philanthropic donation. If this is communicated in an altruistic way, consumers are less likely to be sceptical about the firm´s motives.

According to Ang (2015, p. 245) such initiatives form a domain known as "corporate social responsibility", and examples if CSR include:

- Community services (support for health programs and education).
- Social inclusion program (support of people with disabilities).
- Employee help (support for the personal development of employees).
- Environmental responsibility (enforcing pollution controls).
- Quality-enhancement activities (ensuring safety in products).
- Ethical overseas operations (support for fair labour practice).

A socially responsible firm should be achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment. Thus, CSR encompasses more than pushing a particular cause. It is a set of values that signals a firm´s status and activities with respect to its perceived societal obligations. CSR is, however, also a strategic tool, and a firm should publicise it. CSR does not mean that consumers are willing to pay a premium for the products or services of firms that have an active CSR profile. In fact, they are quite intolerant if the quality of the product or service drops because of the firm´s effort in CSR. (Ang, 2015, p. 245 – 246)

Today´s consumers are looking for more than just material products or quality services when choosing a company to work with: Nine in 10 consumers expect companies to not only make a profit, but also operate responsibly to address social and environmental issues, according to a study by Cone Communications. Eighty-four percent of global consumers also said they seek out responsible products whenever possible. While many companies now practice some form of social responsibility, some are making it a core of their operations. Starbucks, for example, has created its C.A.F.E. Practice guidelines, which are designed to ensure the company sources sustainably grown and process coffee by evaluating the economic, social and environmental aspects of coffee production. [30]

6.5 PUBLICITY

The concepts of PR and publicity are often seen as synonymous, but it is not true, because publicity is only a part of PR, it is the way how the company is presented in the form of unpaid reports in the mass media. Generally, publicity includes any spontaneous, unaffected attention of journalists and media enterprise, of course, even the unwanted (especially in the period of crisis communication).

Publicity can be obtained through written press releases and articles for newspapers or in the form of video and digital printed packages. Another option is getting publicity through press conferences, receptions and tours for journalists, media events, public utterances, interviews

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[30] What is CSR? [online]. [cit. 21st August 2017]. Available at: http://www.businessnewsdaily.com/4679-corporate-social-responsibility.html

and conferences, lectures, seminars and TV debates. Other tools that can be used to raise the profile of the company are for example: sponsorship, exhibitions, corporate identity, advertising, sales promotion, and personal letters. Positive editorial comments are usually the result of carefully maintained relations with the media. It is also important to focus on what the media and journalists really need and give them this information. An interesting observation is that most of the articles or advertising spots, which were aired in TV, were not written by the journalists themselves, but many of them have been created by experts in the field of PR. The work of editors depends on a constant influx of professionally presented press releases and reports from the organizations, as the editors do not have time to search for all events, from which their news feed is composed. (Smith, 2000)

The tools to create a good publicity can be summarized as follows:

- Press releases.
- Common promotional materials.
- Kits for journalists (package containing business cards, information about the company, its history, biographies of executives, product description, photos of people and products, the latest press releases, etc.).
- Internet.
- Informational e-mails and newsletters.
- Press conferences.
- Lectures and seminars.
- Interviews.
- Inviting journalists to domestic or foreign trips.
- Receptions for journalists.

The approach to publicity developed to the marketing public relations (MPR), which aims to support the promotion of a company or a product. Unlike the publicity, it does not only aim to control the media space, but to support a more visible product or company. MPR thus overcomes publicity and performs the following tasks (Kotler and Keller, 2007, p 633):

- Assisting in new product launch.
- Assisting in the re-establishing of existing product (re-launch).
- Creating interest in a product category.
- Influencing specific target groups.
- Defense of the product, which has public issues.
- Creating a corporate image in a way that has a positive impact on the company's products.

6.6 LOBBYING

Lobbying is currently very topical method of public relations, which has a long tradition. Use of lobbying does not impact only the sphere of public affairs, but is increasingly becoming a part of economic life. The essence of lobbying is that through communication, with the use of social - psychological methods, it deals with the interests of subjects, where both parties come to a conclusion of harmony and mutual understanding of the subject of lobbying. Lobbying is characterized mainly by the technique of individual action. Lobbying is done by the lobbyists. They are trying to communicate (lobbying) with people who through their competence may influence the development or decision of public interest. (Svoboda, 2009)

Lobbying is institutionalized promotion of collective views and interests in the market democratic conditions. It is basically an indirect, unofficial information of political power, legislative and administrative authorities of the producers, distributors, consumers, as well as

trade unions and civic associations and charities. The basic principle is the transmission of true, but generally little known information to those who have to decide on this area. Or, on the contrary, in the context of lobbying may be manufacturers, distributors or consumers interested to know ahead of politicians, legislators and officials about the upcoming legislative measures, for which they would be able to prepare in advance, or they might try to influence the final decision.

Lobbying should not be confused with corruption, provided it is carried out in accordance with the accepted principles of the Code of Conduct. There should be no preference for narrow personal or group interests above the interests of the whole society.

PEPSICO: FIGHTS GUIDELINES FOR MARKETING TO KIDS CASE STUDY

The soft drink giant spent millions this year to fight a set of proposed standards that would regulate how products are presented to kids. Lobbyists are supposed to report what they do and how much money they spend doing it, but this information is not easily available to the public. CBS News reports that PepsiCo spent $750,000 to lobby government for quarter. This comes to roughly $3 million annually, a drop in PepsiCo's annual $30.6 billion sales in the U.S. -- $57.8 billion worldwide.

What is Pepsi lobbying about? PepsiCo lobbied the House, Senate, Executive Office of the President, FTC, FDA, and USDA, focusing on these issues, among others:

- Childhood obesity (generally, no specific legislation).
- Food and beverage labeling (generally, no specific legislation).
- Marketing and advertising issues in response to Interagency Working Group on Food Marketed to Children (IWG).
- Restrictions on use of supplemental nutrition assistance program (no specific legislation).
- Implementation of S. 3307-healthy, Hunger-Free Kids Act of 2010.
- Biofuels policy generally.[31]

6.7 COMMUNICATION IN THE CRISIS PERIOD

Crisis communication happens when companies must deal with conflict, whether with the public, competition, state regulation or with people inside the company. The goal of crisis communication is to determine possible conflicts and crises in the organization, prepare for them and communication control when the crisis is already underway. At a time when the company gets into unforeseen crisis, PR has an extremely important role. The crisis may have multiple causes: toxic substances appear in the company products, sunken ship poisons water, new car model fails to pass the challenging tests or the top executives of companies find themselves in a public scandal. Properly constructed PR strategy must always reckon with the possibility of a crisis and PR must be prepared. (Pelsmacker, Geuens and Bergh, 2003, p. 315)

The crisis is anything that may harm or endanger the company's reputation, sales, market value, relationships with customers and other target groups, i.e. the future of the company.

Another definition says that the crisis is a sudden event or a long-term problem (can also be activated by a sudden accident) that can damage the reputation of the company, affect its value and have impact on development. It is important to realize that the crisis is preceded by

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[31] Theatlantic: Lobbying in Action: PepsiCo Fights Guidelines for Marketing to Kids [online]. [cit. 27th August 2017]. Available at: https://www.theatlantic.com/health/archive/2011/12/lobbying-in-action-pepsico-fights-guidelines-for-marketing-to-kids/250572/

the conflict, which only changes into a crisis when mismanaged. If the company cannot handle the crisis, it may develop into a disaster, which has devastating implications for the company. (Chalupa, 2012, p. 23-33)

6.7.1 TYPES OF CRISIS

Possible crisis can be classified as "known unknowns" and "unknown unknowns". In industries such as railway, aviation and shipping, chemical industry, nuclear power, oil refining, production of electricity, pipelines, coal mining, construction and tunnels, it is quite possible that sometimes a disaster appears. Risk is "known", but if it happens or when it happens, is "unknown". In the event of a crisis "unknown unknowns", we cannot accurately determine for the business sector the type of the crisis and the time of its origin (natural disasters, criminal offense, etc.).

Other division of possible crisis takes into account modern means of communication (i.e. social networks) and adjusts its classification accordingly. Internet is able to stretch and tell the whole world about a crisis, that would otherwise be time-bounded and the firm would solve it. The media then purposefully seek information on sensationalism and "deep human stories" so that they could broadcast it to the audience (evening news is full of negative events, accidents, etc.). Thanks to the media coverage of the crisis, the data is then readily available for many years after its resolution. Types of crisis (Chalupa, 2012, p. 28-31):

- **Image crisis** - troubled products (low quality, contamination), environmental damage (single, repeated due to problems with the production), public campaigns (protests by competition and opponents), burdens (the devastation of the landscape), human factors (personal crisis, death, suicide).
- **Malicious attacks** - damage to corporate reputation (slander, rumors, astroturfing), the crisis caused by criminal acts (espionage, handling with the products, contamination), crisis information (data theft, theft of know- how), cyber-attacks (theft of client data, website takedown, spyware).
- **The crisis in conjunction with natural hazards** - floods, storms, fires (inability to meet all business commitments).
- **Business crisis** - physical nature (accidents at work, death in service), economic nature (crisis of management, hostile takeovers, problems with financing), personal (strikes, violence and the departure of key employees).

6.7.2 EMERGENCY PLAN

The essence of crisis communication consists mainly in preventive measures. Company should have a plan for crisis communication, which would include members of the Crisis Staff, their duties, responsibilities and procedures on how to prevent the spread of false information and rumors, and how to transform rumors into acceptable message with a happy end for the company.

Preparing an emergency plan includes:

- **Analysis of potential problems**: an analysis has to be in writing, which must be approved by management of the company.
- **Preparation of the plan:** once management approves the analysis and design of the crisis plan, preparation of a detailed plan is set in motion.
- **Circumstances and personnel of the crisis plan:** in this stage of contingency planning, the company must determine when, where, how and with whom (management or special

staff) the company talks to the public. The main goals are to have staff to operate phones and deal with the challenges of the media.

- **Means of communication:** the plan must be detailed to cope with the expected requirements for means of communication, which will be given for emergency use (phones, faxes, e-mail, internet). Their numbers should be planned for a particularly serious crisis of a few hundred to thousands of devices.
- **Training:** Selected personnel must be trained so that they are well prepared for the solution of the crisis.
- **Simulation exercise:** at irregular intervals the company should carry out unannounced practical exercises in cooperation with selected target groups (e.g. police, local authorities). This should be appropriately documented (e.g. videos) and then evaluated.

SAMSUNG: RESPONSE TO THE GALAXY NOTE 7 CRISIS CASE STUDY

The Galaxy Note 7 was Samsung's most sophisticated phone ever, and many industry experts predicted that it would challenge Apple's dominance over the market. That idea went down when Note 7 phones started spontaneously combusting in September 2016. The risk of explosion was so great that the Federal Aviation Administration deemed the devices a fire hazard and banned them from all U.S. flights.

When it was first reported that the Note 7s were exploding, Samsung responded quickly on all fronts – it immediately made public statements about the news and issued a global recall of the phones within weeks. Communicating swiftly and often with key audiences is the cornerstone of any crisis response, and Samsung nailed this. By immediately taking action the company showed its key audiences that it was taking the situation seriously. However, it's critical that the information a company shares about the situation is accurate. This is where Samsung went wrong.

The company acted too quickly and many of its initial statements had to be retracted. Samsung initially said that Hong Kong customers' phones were not at risk of exploding, only to take it back the next day when it was discovered that phones sold in Hong Kong were, in fact, affected. Then the company based its explanation for the cause of the explosions on incomplete evidence. Samsung confidently stated that the phone's battery was the cause of the explosions and rushed to produce 2.5 million replacement phones. This resulted in a second and arguably worse crisis – the replacement phones started exploding, too.

Samsung finally conceded that it didn't know the cause of the explosions and was forced to discontinue the Note 7 altogether. By providing inaccurate information and acting too quickly, Samsung lost the trust of its customers and investors, and stands to lose millions of dollars in revenue. Its stock took a nosedive in mid-September, plunging 7 percent in one day.

The Note 7 crisis has not doomed Samsung altogether – the other areas of the company's business are doing well and its stock has bounced back – but there are some major lessons to be learned. From a PR perspective, the biggest takeaway is to share information early and often, but make sure the information you're sharing is accurate. Samsung could have salvaged a lot of trust, and dollars, if the company had stated that they did not know the cause of the explosions but would keep the public updated as it worked to uncover the root of the problem.[32]

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[32] Communiquépr: A Critical Look at Samsung's Response to the Galaxy Note 7 Crisis [online]. [cit. 17th August 2017]. Available at: http://www.communiquepr.com/blog/?p=9133

THE VOLKSWAGEN EMISSIONS SCANDAL

In September 2015, the Environmental Protection Agency accused Volkswagen of manipulating its engine controls to be able to pass laboratory emissions tests. Not only was the company violating the Clean Air Act by selling vehicles that didn't meet environmental requirements, but it was also violating its customers' trust by making its cars seem more environmentally friendly.

Unfortunately, the way the company handled the scandal made things even worse. As the story continued to evolve, the company's response was seen as inconsistent and, at times, contradictory to previous statements. Executives claimed they didn't know about the cheating, only to reveal they did just a few days later. Meanwhile, the company's PR and social media teams struggled to keep up. As the company set out to recall millions of vehicles, officials promised to reimburse some, but not all, customers for their troubles.

All the while, consumers reported that the company seemed to be handling the crisis in a dishonest way by not fully "owning" its role in the scandal.[33]

SOUTHWEST AIRLINES' SOCIAL MEDIA RESPONSE

Right in the middle of the busy 2016 summer travel season, Southwest Airlines was suddenly struck by a wide-reaching technology failure. Its website and other key systems were down for more than 12 hours, prompting the airline to cancel thousands of flights. Over the course of four days, the company worked to respond to customer complaints quickly and effectively, in large part by leveraging social media. Its approach offers some key lessons.

Southwest did several things right in its social media response: It apologized profusely for the inconvenience, admitted fault, and continually posted updates as the crisis unfolded. Southwest's team even made use of photos and videos posted to Facebook and Twitter to personalize the response.

Unfortunately, the onslaught of customer-service requests and complaints seemed to overwhelm the company's social media team. Not long after the IT outage began, complaints on Twitter began going unanswered for hours and, in the case of Facebook, days. Ideally, the company would have answered each customer in a more timely manner.

Finally, Southwest seemed to forget that such a crisis is bound to impact all of its social media channels even Instagram. The company failed to post an apology or acknowledgement of the situation on its Instagram account, instead choosing to feature its typical content. As a result, the account received hundreds of angry comments and all of them went unanswered, surely leaving a bad taste in the mouths of many followers.[34]

6.8 MEASURING THE RESULTS OF PR ACTIVITIES

In the implementation of PR activities the company cannot receive immediate measurable feedback. PR can be done with significantly lower cost, but much more effort and time expenditure. Another significant advantage is also that PR activities have greater credibility. The downside is undoubtedly worse measurable results.

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[33] Rockdovesolutions: 3 Crisis Management Case Studies We Can Learn From [online]. [cit. 17th August 2017]. Available at: https://www.rockdovesolutions.com/blog/3-crisis-management-case-studies-we-can-learn-from
[34] Rockdovesolutions: 3 Crisis Management Case Studies We Can Learn From [online]. [cit. 17th August 2017]. Available at: https://www.rockdovesolutions.com/blog/3-crisis-management-case-studies-we-can-learn-from

PR can be assessed on the basis of three performance indicators (Pelsmacker, Geuens and Bergh, 2003, p. 315):

- **Input indicators -** measure the PR activities, such as the number of new messages, the number of calls made, the number of business meetings, the number of visits to supermarkets and distributed brochures. We are measuring the effort, not the results, it is therefore not suitable for finding out the efficiency of the PR, but may be useful to determine the activities executed.

- **Output indicators** - measure the results of PR in the direction of media coverage and publicity. An example of such measurement is space covered in newspapers, time devoted to the company or event or brand on television, the length of the printed communication, amounts of readers or viewers. Measuring outcomes is indeed a useful indicator, but does not provide information about how well the objectives have been achieved.

- **Success indicators** - measure the extent of achievement of predetermined objectives in relation to groups that are of interest. This procedure is very similar to measurement of the effectiveness of ads. Examples of measurements: the proportion of the target audience reached, changes in knowledge and awareness, changes in opinions and attitudes, the development of image and reputation, the extent of change in behavior.

Svoboda (2009) states that when monitoring publicity, it is important not to focus only on the quantity of published articles, but also on the quality of the information published. Nowadays, most large companies use the services of communication agencies, which deal with monitoring of the press and other media. These agencies are focused on the evaluation of the quantity (length of the article, the number of mentions or broadcast minutes) and quality (favorable, unfavorable and neutral evaluation). On this basis, the company will evaluate the effectiveness of PR. When measuring PR, it is essential to determine what the company wants to measure. It could be media coverage, PR effect in the perception of public communication, the effect on attitudes, beliefs and behaviors or reactions that occur due to PR within the organization.

6.9 EVENT MARKETING

Event marketing describes the process of developing a themed exhibit, display, or presentation to promote a product, service, cause, or organization leveraging in-person engagement. Events can occur online or offline, and can be participated in, hosted, or sponsored. The promotion of these activities can occur through various inbound and outbound marketing techniques.

In today's buyer-empowered world, marketers need to seize every opportunity to build relationships, generate goodwill, and earn the trust of prospective buyers and customers. The modern consumer wants more than a pitch when evaluating solutions or making purchasing decisions. Events offer a unique opportunity for them to interact with brands to get a firsthand sense of a company's focus, perspective, and personality. Event marketing needs to be an integral part of the demand generation mix, and a strategic combination of offline and online events are essential to any company's bottom line.

A key reason for a business to participate in an event is to establish and build its brand. Event marketing allows company to cultivate and express its identity firsthand. Through events, company gains the perfect venue to share ideas, thoughts, and name in the exact manner. Another important reason businesses choose to participate in an event is to generate leads. The right event allows company to interact with a group of prospects. Events offer an unparalleled level of customer engagement, with an opportunity for positive personal interaction that builds

loyalty. Most people attend events to network and be educated. Both are powerful draws in their own ways. No matter what type of event you are at, it is critical to impart knowledge that the audience will value—and that sets company apart.[35]

New trends penetrate this type of marketing primarily thanks to the development of new technologies, such as smart phones, mobile phones equipped with cameras, text and Internet messages. Through these technologies, consumers can participate actively and involve themselves in the program, have the option of different polls, or be photographed and then contacted via email with the photo. We can notice the increasing popularity of roadshows in the parking lots of supermarkets, or on the occasion of the opening of new shopping centres, etc. (Frey, 2011)

Effects related to event marketing:

- Active emotional experience, which effectively places the brand (product or service) to the customer's emotional environment, creating a stronger and more enduring relationship between him and the brand.
- Information through images that is generally more effective than verbal information.
- Creative communication that attracts potential customers and differentiates from the competition.
- The use of innovative means of communication, such as new information and telecommunication technologies which allow two-way communication of the brand and the customer and provide for a relatively accurate assessment of the effectiveness of reach and impact of communication campaigns.
- Integrated Communications - effectively connecting means of communication to the widest possible reach with the target groups while maintaining a unified communications strategy.
- Uniqueness, multi-sensitivity, drama, interactivity.

6.9.1 TYPES OF EVENT MARKETING

Events come in a large variety of flavors, and can be held in countless venues, whether online or off. The basic division could be seen in two sections: **Online events and offline events.**[36]

Online events connect presenters and participants through a web-based interface. Common types of online events include webinars, virtual events, and live streaming events. Online events are often less costly than in-person events and can enable you to easily reach geographically dispersed audience.

Offline events require physical attendance and interactions take place in person. While they often require more investment than virtual events, offline events allow face-to-face relationship building. Offline events include: tradeshows, conferences, seminars or breakfast, lunches, dinners. These are typically smaller, more targeted events. They can be both customer and prospect focused. The last types of events are usually very intimate with 8-10 people, or can be larger with 50 or more attendees. On a larger scale, breakfasts, lunches, and dinners can include thought leadership presentations as part of the event.

The categorization of event marketing activities is not precisely defined because of the vast range of activities and uniqueness and unrepeatability of this communication too. Šindler (2003, p. 236) divides event marketing activities into 5 basic categories:

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[35] Marketo [online]. [cit. 7th August 2017]. Available at: https://www.marketo.com/event-marketing/
[36] Marketo [online]. [cit. 7th August 2017]. Available at: https://www.marketo.com/event-marketing/

- **According to the content of event marketing:** working-oriented events, informative events, entertaining events.
- **According to the target groups:** public and corporate events.
- **According to the concept of event marketing:** event marketing using occasions (such as company anniversaries), branded or product event, image event, event marketing based on know-how, combined event marketing.
- **According to the accompanying experience.**
- **According to the location: outdoor and indoor events.**

In recent years, the use of event marketing as a regular component of the company´s communications mix can be seen more and more. The modern technologies are used very often to improve the events as cell broadcasting or location-based marketing and so on. Despite the effort to reduce financial costs, new events are more imaginative (beach building in the middle of the square), more interactive.

HOW TO MEET GREEN? – EVENT MARKETING CASE STUDY

One of the objectives of the 2015 Canadian Medical Association Annual Meeting was to create the greenest event going. The 148th Canadian Medical Association Annual Meeting took place at the World Trade and Convention Centre, Halifax, Canada. The Canadian Medical Association (CMA) is a national, voluntary association of physicians that advocates on behalf of its members and the public for access to high-quality health care. At the Annual Meeting and General Council, CMA members set the policy direction for the association for the year through debate, discussion and the passage of motions. For four days in August 2015, Halifax was at the centre of the national conversation on current medical policy issues and how to improve health care of Canadians. Quick facts: 4-day delegate-style meeting, 83,000 Canadian physicians represented, 537 attendees, $860,733 estimated direct expenditures.

Like many organizations and event planners, the Canadian Medical Association (CMA) is committed to creating and maintaining a healthy environment for all. Every choice makes a difference when it comes to protecting the environment, especially when hosting large-scale events for thousands of people. That's why they wanted their Annual Meeting to be the model of event sustainability. They wanted to achieve this by focusing on 3 main areas: food, pollution and waste, power.

With goals in mind and strict requirements, CMA worked with their chosen venue to gather creative suggestions – from culinary to property services – on how to best "meet green". Together, they were able to identify event needs and co-design custom solutions and services to help realize CMA's vision for a sustainable conference.

Creating a sustainable menu was the first step in the process. The convention centre culinary team focused on sourcing local menu items that were organic, fairly traded, seasonal and not processed, helping to reduce the carbon footprint and support the local Halifax economy. The team also ensured that imperfect fruits and vegetables that might otherwise be thrown away were worked into the menu, knowing that a few bumps and bruises won't change the taste of the local produce. And, when the delegates were fed and full, leftovers were donated to Feed Nova Scotia, helping to reduce food waste and support a great local community service.

Hosting thousands of people can produce a lot of waste. Event planners need to work with your venue and local organizations to implement simple ideas and tactics before your delegates arrive. Planning ahead can make sure you produce less waste overall. Nova Scotia already produces the least waste per capita and has the highest waste diversion rate in Canada, making it easy for CMA to take advantage of their leading recycling and composting programs. Waste

was reduced throughout the 4-day event by reducing onsite materials, reducing signage, printing on recycled materials and asking suppliers to reduce packaging.

It was important to the CMA to cut back the event's carbon footprint and seek out partners who provide renewable energy alternatives. Although being together in person is best, CMA encouraged remote participation for its members who couldn't attend the event, using technology to limit carbon footprint. This was made easier, and greener, thanks to a partnership between the convention centre, its partner hotels and CMA which saw each organisation purchase clean, renewable energy through Bullfrog Power for all event power needs.

Some of the achievements of the CMA in their quest to host a green meeting were: 45% of food locally or regionally sourced, 300+ lbs of food donated to local food bank Feed Nova Scotia, 3044 lbs of waste recycled or composted, close to 19,848 kwh of green energy used during the event.[37]

6.9.2 ROADSHOW

Roadshow or moving presentation with live, immediate contact with the target group. This is a type of event and a public relations tool. It is an activity that has a creative character, it moves from place to place, it generates media publicity and it is part of integrated marketing communications. Roadshow is an organized promotional event that works on the principle of traveling to pre-selected locations to promote product, service or brand in general. (Jurášková and Horňák, 2012, p. 202)

Roadshow addresses consumers directly at their place of residence and its primary goal is to introduce a product or brand to consumers, gain new customers or increase customer loyalty. Roadshow is a form of demonstration that brings customers mostly bonuses, discounts, competitions and other similar attractions. A key factor for a successful roadshow is the appropriate selection of location where it will take place, as well as its timing. (Jurášková and Horňák, 2012, p. 202)

ŠKODA MONTE CARLO ROADSHOW 2016 – ROAD SHOW CASE STUDY

Within the Monte Carlo Roadshow 2016, the participants received a gifts, if they attended testing drives. As part of an accompanying program for the whole family, participants were able to see the BMX Biketrial show, the Freestyle ropeskipping show and many other interesting activities for both small and large motorists. During the whole event, the presentation of cars and seminars on the Transport Safety Research took place. A contest regarding two Škoda cars and Monte Carlo trip winning was prepared for the participants. The figure below shows selected locations of the Škoda Monte Carlo Roadshow in the year 2016.[38]

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[37] Event websites [online]. [cit. 7th August 2017]. Available at: http://www.eventmanagerblog.com/how-to-meet-green

[38] Škoda auto websites [online]. [cit. 7th August 2017]. Available at: http://www.skoda-auto.cz/o-spolecnosti/akce-a-udalosti/montecarloroadshow#DynamicFrameWebPart

7 DIRECT MARKETING

At the beginning of the sixties, direct marketing was understood (DM) as a particular type of distribution (direct sales through different channels), because it was the most used in the form of mail-order sales. In the seventies it became an instrument of marketing communication with an emphasis on feedback and optimizing responses to mailings and other direct marketing tools. In the nineties, the main focus became DM building long-term relationships and increasing customer loyalty. Today, DM can be considered as a personalized direct marketing and marketing as lifetime value. Typical features of DM include measurability, long-term and reciprocity. (Pelsmacker, Geuens and Bergh, 2003, p. 387-388)

7.1 DIRECT MARKETING DEFINITION

Direct marketing is defined as the use of direct channels to reach customers and delivery of goods and services without using marketing middlemen (intermediaries). Marketers using direct marketing seek measurable reaction, usually a customer order. Currently, many marketers use direct marketing to build long-term relationships with customers. It can be a distribution of offers tailored for each customer, building loyalty through customer loyalty programs, sending birthday cards, etc. (Kotler and Keller, 2007, p. 642)

Direct marketing transmits the promotion message directly to the existing or future consumers in a way to bring about an immediate measurable response. It also includes the creation of the respondent database. We can say that direct marketing is contacting existing and potential customers in order to generate immediate feedback and measurable response. The word "direct" means the use of media allowing direct contact, such as mail, catalogs, phone contacts or brochures. To obtain an immediate response, we can use coupons, phone calls and personal visits. For making direct contact with customers possible, it is essential to have and develop the database. (Pelsmacker, Geuens and Bergh, 2003, p. 388)

Direct marketing in terms of passivity or activity of a potential or current customer can be divided into two main groups, namely active and passive direct marketing. Active direct marketing is initiated and lead by a trader who does not expect an immediate reaction from the consumer. It is actually communication with current and potential customers through the direct media - email, phone, fax, e-mail. Passive direct marketing is an approach where consumers identify themselves as potential customers of a product, service or retail stores themselves and react to stimuli sent by the merchant. Such behavior must be encouraged by the marketing communications.

Direct marketing has many advantages compared with other communication elements - it's a great targeted form of presentation in terms of saving resources that are otherwise lost in mass communication to customers by the mass media, because the money is invested only in promotion that targets only specific target group of customers. Evaluation of the advertising campaign is clear, easy and fast. A very simple way to determine whether the offer was a successful campaign is the number of new customers. DM also contributes to creating and updating customer database.

The great advantage of direct marketing is the ability to serve the customer who does not have time because he is fully occupied by working activities, family and friends, and doesn't want to spend his free time in queues in crowded stores. Communication for such a busy client must be personalized, only then it has a chance to impress. The use of mobile phones and the internet, product delivery the next day, it all adds to the growing popularity of direct marketing. The customer saves time and has a much wider range of goods available. (Kotler and Keller, 2007, p. 642-644)

Table 7-1: The difference between mass and direct media

Mass media	Direct media
Segmentation	Individualization (targeting, interaction)
Remembering, recognition and measurement of image	Measuring sessions by clients
Mass unilateral communication	Targeted bilateral communication
Market share	The share of the customer (the amount and frequency of purchase)
Anonymity of the customer	Customer profile
Standard product	The "tailor-made" product
Mass distribution	Individualized distribution
Mass presentation	Personalised offers
All customers	Profitable customers
Attracting customers	Customer retention

Source: Pelsmacker, Geuens and Bergh (2003, p. 27)

Development of direct marketing has gone through several phases (Kotler and Keller, 2007, p. 644-645):

- **Carpet bombing** - the company gains a contact database and sends out a mass mailing to everyone. The disadvantage is the low personalization and hence the low success rate.
- **Database marketing** - the company is working with databases and selects the appropriate customers to send offer. The advantage is better targeting, but it is still a relatively unsuccessful method.
- **Interactive marketing** - this is the application of the idea of actively-passive approach to direct marketing. The company promotes its contact in different communication channels and offers the customer to contact them.
- **Timed personalized marketing** - can be used at a time when the company has sufficient relevant information about customers and is able to reach out with specifically tailored offer.
- **Marketing of a lifelong value** - marketers prepare a plan of lifetime value of each customer, based on knowledge of the life events and major changes.

7.2 DIRECT MARKETING OBJECTIVES

Most marketers have as their primary objective the use of direct marketing to gain new orders. From the above it is clear that the DM performs other functions, and thus has other objectives. With such objectives can be DM (Pelsmacker, Geuens and Bergh, 2003, p. 389-392):

- **Direct sales:** sales of products and services without contact with business intermediaries. A good example is the sale by mail order or catalog order. Catalogs are delivered to potential customers and orders are accepted by phone, fax, mail, post.
- **Sales support and distribution:** DM may also support activities of the sales team, dealers and retailers. DM is also used to support personal selling, as it maintains personal contacts and thus reduces the need for frequent visits to retailers, which are very costly. In this case, the form of direct marketing funnel, through which only the real buyers contact the company and are then visited. In this regard, DM performs certain tasks of the sales team and enables cost reduction.

- **Loyalty and Customer Retention:** relationship marketing has two positive effects, to strengthen the loyalty of customers in conjunction with the acquisition of new with the fact that the longer you stay with the brand, the more you get. Customer revenue will increase, operational costs will decrease, positive communication between people will attract more customers and also loyal consumers are usually not sensitive to price.

7.3 DIRECT MARKETING TOOLS AND MEDIA

Direct marketing in addition to direct communication channels also uses the mass, respectively non-targeted media. Unlike conventional mass marketing communication, it generates a direct response from the recipients. Among the forms of DM, we can can also include personal selling, from which it developed. (Pelsmacker, Geuens and Bergh, 2003, p. 392)

The functionality and popularity of different media varies over time. Tools that were considered obsolete are again gathering momentum, new tools are created and left behind. A very popular tool is untargeted mailing (e.g. leaflets from retail chains), its effectiveness is disputed by the company focus, however, it can be increased by the utilization of **geomarketing** (see below). Telemarketing is a widely used tool worldwide, in the Czech Republic, however, faces potential reluctance of customers to accept the offer by phone. Addressed direct mail still occupies an important position. After a period of decline, when it was thought that e-mails will be able to fully replace the mail, there was a period of rediscovery of the power of addressable mailing, which brings tangible physical sensations. Typical areas of DM application are mail-orders and financial and telecommunication services, where the direct mail has its place through regular distribution of statements in envelopes.

7.3.1 *UNTARGETED DISTRIBUTION*

This is the untargeted distribution of direct marketing leaflets to no one in particular, to all potential customers across the board for one territory. In 2010, the leaflets were the second largest advertising medium after TV in the Czech Republic. The distribution of 4 billion flyers into mailboxes was paid by clients from the ranks of chain stores and other retail entities and it cost about CZK 1.2 billion in 2010. Including printing and other costs, the leaflets are a business worth about CZK 6 billion a year. The research company GfK Incoma states that 30 % of customers buy according to leaflets and a further 46% follows them regularly.[39]

7.3.2 *DIRECT RESPONSE PRINTED ADVERTISING*

This type of advertising is published in print in order to (Pelsmacker, Geuens and Bergh, 2003, p. 392):

- Create direct customer reaction by sending a coupon or calls to a specific phone number.
- Establish close and clear link between the answer and what is the content of the advertisement.
- Identify the respondent.

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[39] Web portal iDirekt, 2011. V *ČR se ročně roznesou 4 miliardy letáků za 12 milard Kč* [online]. [cit. 22nd May 2013]. Available at: http://idirekt.cz/marketingove-zpravodajstvi/v-cr-se-rocne-roznesou-4-miliardy-letaku-za-12-miliardy-kc

This type of print ads is untargeted and does not point to one particular customer. Advertisement is published in the mass media (newspapers, magazines). The main objective of this type is the selection of interested customers and it is also a good way to provide those interested in more information than what would a traditional form of advertisement contain. After submitting the coupon, interested parties can get more information. (Pelsmacker, Geuens and Bergh, 2003, p. 393)

7.3.3   UNTARGETED TELEVISION OFFER

Modern television broadcast receivers can be used in several ways. Older teletext offered the opportunity to rent a website to disseminate the message and generate a response. Modern interactive television allow much more. Another option is to use non-targeted offer via TV as teleshopping. The newest trend is television advertising with direct reactions (Direct-Response Television - DRTV), which is the use of minute-long spots in prime time at which the viewer can respond with his remote controller. It is thus the use of digital broadcasting to not only spread the signal to the customer, but also to get his response. It should be noted that the use of specially adapted transmitter and receiver are required. The customer can immediately send his phone number to the company and get a personalized offer when attracted by advertising. The minute spots are often of lower quality than the ads that are commonly used. They can be broadcast in the prime time only because of "last minute" sales of advertising space. The shorter length differentiates them from the teleshopping.

7.3.4   DIRECT MAIL

Direct mail is one of the most effective direct marketing tools. Shipment is directly addressed to specific recipients. The primary goal is to attract the customer enough that he is interested in the mail/package. That implies very good creativity to be utilized. The content of the consignment should include the offer created so that the clients' attention is caught and he reads it. The more is the communication original, colorful and graphically well treated, the more the client is interested. A good choice is also to use something that can add the feeling of plasticity/texture. If it is financially suitable, add small gifts. Paper and printing should be of the highest quality for the offer to work.[40]

7.3.5   TELEMARKETING

Rapidly growing field of direct marketing is telemarketing. Telemarketing can be defined as any measurable activity using the phone, which aims to help you find, acquire and develop a relationship with the customer. The use of this medium has grown enormously in recent years. Telesales and search for new clients helps to create, check and update the database and sales information.

The phone is the most direct of all direct media tools, and has a number of advantages. It is flexible, interactive and fast. Telemarketing campaigns can be launched immediately, and their effectiveness can be instantly monitored. On the other hand, it also has certain disadvantages: the sale is a very difficult, phone calls are annoying to some customers, and costs are 10 to 20-fold higher than when using the mail. (Pelsmacker, Geuens and Bergh, 2003, p. 397)

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[40] KARFÍKOVÁ, D., 2008. *Úvod do direct marketingu*. [online]. [cit. 22nd May 2013]. Available at: http://www.m-journal.cz/cs/marketing/direct-marketing/uvod-do-direct-marketingu__s398x457.html

Huge global call centers serving U.S. customer line telephone operators, service lines of major U.S. banking institutions and corporations (HP, Dell, IBM, etc.) or line handling the booking of flights for American and British companies, all are located in Bangalore in India. These call centers employ fluent English-speaking domestic workers, who for the need of their work also use an English name.

Also for telemarketing we have a choice between activity and passivity. In the case of passive (in-bound) telemarketing, potential client contacts the call center himself on the basis of untargeted mail, distribution or television advertising. In the case of active telemarketing (out-bound) the company is actively trying to communicate with the customers. The communication has precisely pre-defined goal that it needs to achieve. Telemarketing provides four basic functions: we are using it to make phone sales, tele-prospecting, and tele-care, we also passively provide technical support and customer service. (Kotler and Keller, 2007, p. 648-649)

Table 7-2: Active and passive telemarketing

Type of telemarketing	Generating sales	Sales support
In-bound telemarketing (inside)	**Acceptance of orders**	• Information about the product and the company • Customer Service • Service Complaints
Out-bound telemarketing (out)	**Tele-sales**	• Arrange meetings for the seller • Reaching new customers • Update business database • Support Marketing Communications • Support business tourism • Tele-factoring

Source: Pelsmacker, Geuens and Bergh (2003, p. 397)

7.3.6 CATALOGS

Companies use catalogs as an inventory of their goods, visually presented to the customer. The classic form of a printed catalog today is gradually being replaced by electronic form, whether stored on removable media or distributed via the Internet. Although customers cannot evaluate the products in any physical sense, catalogs provide them with a comfortable freedom of choosing from a wide range of products while also saving their time. Many marketers now even sell their catalogs in bookshops and newspaper stands. Advances in technology give marketers the opportunity to experiment and make their catalogs interactive, animated, with music, etc. (Pelsmacker, Geuens and Bergh, 2003, p. 397)

7.3.7 NEW INTERACTIVE MEDIA

With the development of various devices and technologies, direct marketers are able to get their message to potential customers through new media. This may be the use of electronic devices - web, mobile, marketing position – i.e. GPS or car-navigation, online TV and radio, etc. These media have developed very aggressively in the last decade. E-marketing is trying to predict the behavior and perceptions of the target group, and based on these factors suggests the most effective methods within the selected target groups of users to bring them to the site and persuade to purchase or other required action. In order for the effect to be the most efficient, offer must impress at the right time with the right product. Initially, we have to ask ourselves

what is the user, in our case the potential customer, most interested in? Based on the findings of his needs we provide information or service that can bring him to our site.[41]

7.4 MOBILE MARKETING

It is the one of the direct marketing methods. Mobile marketing can refer to one of two categories of interest. First, and relatively new, is meant to describe marketing on or with a mobile device, such as a cell phone using SMS, MMs or WEB Marketing. Typical characteristics of this type of mobile marketing are mobile, anytime, globally, integrated and customized (MAGIC). Second, and a more traditional definition, is meant to describe marketing in a moving fashion - for example - technology road shows or moving billboards.

Although there are various definitions for the concept of mobile marketing, no commonly accepted definition exists. "Mobile marketing is broadly defined as the use of the mobile medium as a means of marketing communication or distribution of any kind of promotional or advertising messages to customer through wireless networks." More specific definition is the following: "using interactive wireless media to provide customers with time and location sensitive, personalized information that promotes goods, services and ideas, thereby generating value for all stakeholders".

In November 2009, the Mobile Marketing Association updated its definition of Mobile Marketing: Mobile Marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network. (Matušínská and Stoklasa, 2012)

Rapidly evolving mobile marketing uses many different tools (Přikrylová and Jahodová 2010, p. 261-262):

- **Advergaming** - interactive games on mobile devices with advertising content. Greatly expanded by the so-called freemium payment model for content (game / app is free, but commercial message is displayed until the user pays).
- **Cell Broadcasting** - This technique is based on the fact that a certain transmitter of a mobile operator spreads within its range the advertising information, for example by participating in the event the customer is informed about the program and special offers from various stalls. Customer receives these text messages only in the range of the transmitter.
- **Location-based marketing** - advertising notices for shops, cinemas, hotels, gas stations, etc. Derives from the current position of the user's mobile phone, example would be the Foursquare.
- **Logos, pictures, and ringtones** - formerly a popular tool was sending a logo of popular brands, images or melodies for a fee. This builds emotional ties, increasing loyalty, supports brand and what is important, the accumulated database of contacts can be used for further marketing activities of the company.
- **Two-way SMS communication** – means a communication between the consumer and the company, which is of the advertising nature. The promotional materials of the company provide a telephone number where customers can send SMS with their request. The reply is generated either in the form of SMS or other communication channel based on the preferences stated in the first SMS. The advantage of this form of communication is high frequency of SMS messages flowing in both directions.

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[41] KARFÍKOVÁ, D., 2008. *Úvod do direct marketingu.* [online]. [cit. 22nd May 2013]. Available at: http://www.m-journal.cz/cs/marketing/direct-marketing/uvod-do-direct-marketingu__s398x457.html

- **SMS advertising** – are either in the form of traditional advertising messages with SMS or sponsored SMS, which are free for the sender, provided that part of the text is devoted to advertising. So far it is the most used tool.
- **Advertising MMS** - allows for multimedia design of the advertising message, for example in the form of text, audio, picture or video clip.
- **SMS competitions, voting, polls** - the goal is to convince users to send a message to a specific phone number. After sending this message the reward is the opportunity to get a discount or to win something. Therefore, it is often used as a form of sales promotion. The price of the SMS is usually higher than normal SMS, decided by the event organizer and it is used to cover the costs and usually also crate some profit. With the acquisition of the contacts it gives the opportunity to the organizers of these campaigns to perform simple researches, to reach new customers or to reward the most loyal ones. Very popular used form is donor SMS (DMS).
- **Special graphic codes** - are placed on product packaging, print media, etc. After their capture by mobile phone, it decodes the encrypted information and automatically displays additional text, animations, images, music or dials a number. It connects a print ad with the on-line environment. The requirement for the decryption of the code is the need to have installed a special mobile application. Examples are QR codes, see below.

One of the innovations with the greatest impact is certainly QR codes, which originated in Japan and has existed since 1994. However the penetration to Europe and the Czech Republic has happened only during the last years. QR abbreviation refers to the word quick response, thus meaning quick reply. This special type of 2D code has the ability to encrypt up to 7089 numeric characters which can communicate commercial communication when photographed by camera in a mobile phone. For decryption, it requires either special applications, or application and Internet connection. After decryption, it takes user of the applications to a web site or an e-shop of the company. With the gradual expansion of smart mobile phones, we can meet more frequently with this type of mobile marketing. Examples are posters in the subway that can be made of groceries, movie tickets, electronic version of a print (newspapers, magazines), etc. Gradually, however, QR codes will be replaced by newer technology. It may be an already patented system by Google for picture recognition and assignment of whatever the context, or perhaps MVS - mobile visual search (visual search via mobile phone). Mobile visual search works easier than QR codes, for which the consumer needs to have installed a special application. User in MVS takes a picture with his or her smart mobile phone of an object (the company logo, banner) and MVS application provides information on the company, or even the possibility of buying goods via mobile phone.[42]

MOBILE MARKETING CASE STUDIES

AUDI: Audi start-stop app - Audi's thought so far out of the box with their app it doesn't even seem like marketing at first glance. Their App, called 'start, stop' doesn't make any attempt to sell its cars (at least not on the face of it). It is a simple app, which detects when open apps aren't being used and sends users notifications to close it, to save processing power and battery life. This makes the phone more efficient, and promotes Audi's stop-start technology, which automatically turns the car engine off when stationary to save fuel. The beauty of the

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[42] BAROCAS, J., 2012. *Why QR Codes Won't Last.* [online]. [cit. 23rd May 2013]. Available at: http://massivewebsitemarketing.com/uncategorized/why-qr-codes-won%E2%80%99t-last.html

campaign is that it makes users associate Audi with efficiency whilst proving them with a helpful service. It doesn't seem like an ad at all, because it is the sort of app that you might install anyway, but that doesn't mean it isn't working to promote Audi's brand.[43]

NIVEA: Nivea sun protection track your kids app - Another brilliant example of making a mobile campaign so useful it ceases to even seem to be an advert is Nivea's ground breaking 'the protection ad' for it's Nivea Sun Kids range. It wasn't a purely mobile campaign however; it combined mobile with print to create something truly unique. The print adverts in magazines had a detachable 'protect strip' akin to a wristband, which is put round the child's arm when the family is at the beach. The parent is invited to download the app, which communicates with the bracelet so that the parent can use the app to dictate an area outside of which the child cannot stray, and if the child does so the app beeps to alert the parent.[44]

FORD: Ford made use of an excellent mobile marketing strategy to promote the release of their new Escape and Taurus models recently. All that was required was for people who wanted more information on the vehicles to send a text with the word 'FORD' to 63611. These customers were contacted and asked which vehicle they wanted further information on and they were then asked to provide their names and local zip codes as well. This info was sent to local Ford dealerships, where follow up calls were made to clients, resulting in an astounding 15.4% conversion rate.[45]

NATIONAL GEOGRAPHIC CHANNEL: National Geographic Channel took a unique approach to co-viewing with a mobile advertising campaign that drove tune-ins for a documentary about President Lincoln. National Geographic Channel worked with Millennial Media and mediahub / Mullen on a tablet-only campaign that leveraged at-home Wi-Fi networks. The day that the program premiered, creative began running to target at-home tablet users. Once the program began, the creative changed to give consumers a co-viewing experience. For example, the mobile ad's video and text dynamically updated as the show aired to reflect different scenes in the program. By targeting at-home Wi-Fi networks for tablets specifically, the goal behind the campaign was to reach mobile users at home who were most likely to be near a TV and to serve these users additional relevant information via their tablets.[46]

7.5 CUSTOMER RELATIONSHIP MANAGEMENT

One of the first definitions by Kotler and Armstrong (2004, p. 248) specifies customer relationship management as special software programs and analytical techniques that serve for integration and utilization of vast amount of data about individual customers stored in databases. Customer relationship management consists of sophisticated software and analytical tools which sort customer`s information from all sources, conduct deep analysis and use these

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[43] Smartinsights: 7 examples of effective mobile marketing campaigns [online]. [cit. 25th August 2017]. Available at: http://www.smartinsights.com/mobile-marketing/mobile-advertising/7-effective-mobile-marketing-campaigns/
[44] Smartinsights: 7 examples of effective mobile marketing campaigns [online]. [cit. 25th August 2017]. Available at: http://www.smartinsights.com/mobile-marketing/mobile-advertising/7-effective-mobile-marketing-campaigns/
[45] Creative: 5 Examples of Great Mobile Marketing Campaigns [online]. [cit. 25th August 2017]. Available at: https://36creative.com/mobile/2771/5-examples-great-mobile-marketing-campaigns/
[46] New.soldsie: 4 Examples from the Best Mobile Marketing Campaigns [online]. [cit. 25th August 2017]. Available at: https://new.soldsie.com/blog/4-examples-best-mobile-marketing-campaigns/

outcomes for strengthening the relationship with the customer. CRM is therefore a process of gathering, processing and utilization of information about company`s customers, that works on the basis of database technology. The outcome is capability to recognize, understand and foresee needs, wishes and purchase habits of customers. Bilateral communication between the company and its customers is of course needed. Some authors define CRM as software, hardware and personal equipment of a company that is responsible for aforementioned functions. Storback and Lehtinen (2002, p. 18) claim that: "the goal of customer relationship management is not to be close to a customer but to live with him".

According to Lehtinen (2007, p. 18) CRM came into being together with development of marketing which gradually became more personal until it transformed into direct marketing. Individual customer often becomes the goal of direct marketing.

CRM systems are present in the market for quite some time but only in the last decade they made a huge shift from narrowly specialized utilization and focus on technical aspect to mass utilization in all areas of company management. This shift is especially noticeable in Czech Republic for some reasons: market deregulation connected with our EU accession, new business models taken from the "west", internet penetration, technological progress. CRM is gradually becoming "common" not only in large international companies but also in local small and medium enterprises.

There is a long way from definitions for the customer to see the benefits of CRM in the real world. From the theoretical point of view CRM systems might be divided into three parts: analytical, operative and collaborative, see Figure 7-1. In order for any action in CRM to be successful it requires consistent data about customers which will be accessible to every employee of a company. That is also highly demanding on a technology providing CRM in a company.

Figure 7-1: Technological aspects and principles of CRM
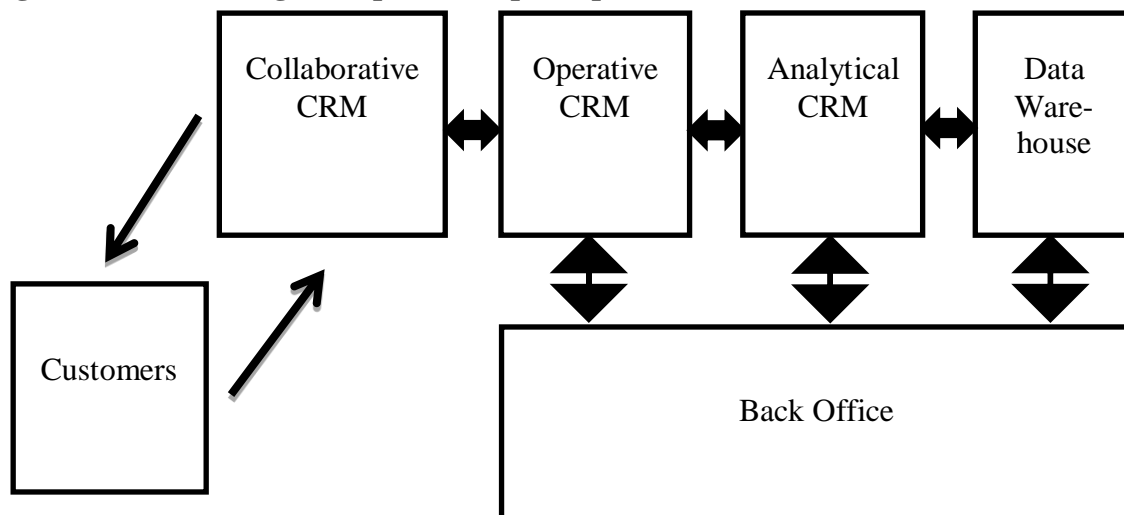
Source: author`s work based on TREJBAL, J. Technologické aspekty. [online]. [cit. 23rd May 2013]. Dostupné z: <http://cs.wikipedia.org/wiki/Soubor:Technologicke_aspekty.jpg>

7.5.1 ANALYTICAL CRM

The work of analytical CRM is customer data analysis, its evaluation, modelling and prediction of customer behavior. In real life situation the analytical CRM can for example gather all the data about customers inquiring a specific product by using data mining (tool for data gathering), what services they purchased right away and what services they purchased

eventually. It can find patterns in their behavior and propose next steps during up-selling or cross-selling. It can evaluate efficiency of a marketing campaign, propose prices or even develop and propose new products. This way it serves as some sort of help during decision making, e.g. manuals for employees working in services concerned with how to react to certain customer`s behavior.

7.5.2 OPERATIVE CRM

It mainly supports the actual contact with customers conducted by front office workers and general automation of business processes including sales of products, services and marketing. All communication with the customer is tracked and stored in the database and if necessary it is effectively provided to users (workers). The advantage of this approach being the possibility to communicate with various employees using various channels but creating the feeling that customer is being taken care of by just one person. It can also minimize the time that the worker has to spend typing the information and administrating (the data is shared). This allows the company to increase the efficiency of their employees work and they are then able to serve more customers.

7.5.3 COLLABORATIVE CRM

All departments in a company gather data about their customers. It is not uncommon that these departments compete or are even hostile to each other. That undermines efforts of CRM to share relevant data throughout the whole company (e.g. information from help line can help the marketing department choose a point on which it will focus during the next campaign). The goal of collaborative CRM then is maximum sharing of relevant information acquired by all departments with the focus on increasing the quality of services provided to customers. The ultimate outcome of this process should be an increase in customer`s utility and his loyalty.

As has been described, the basic principle of CRM is to work with the customer data and offer these customers better solutions to their needs and wishes. As author understands, the Caring Economy and CRM both seek to satisfy people (customers and companies), economically by allowing companies to earn and customers to save money, and non-economically as described further. According to Matušínská (2009, p. 191) the basic advantages and benefits of CRM systems are these:
• satisfied customer does not consider leaving,
• product development can be defined according to current customer needs,
• a rapid increase in quality of products and services,
• ability to sell more products,
• optimization of communication costs,
• proper selection of marketing tools (communication),
• trouble-free run of business processes,
• greater number of individual contacts with customers,
• more time for customer,
• differentiation from competition,
• real time access to information,
• fast and reliable predictions,
• communication between marketing, sales and services,
• increase in effectiveness of teamwork,
• increase in staff motivation.

The unlimited potential to get closer to customers is hindered by negatives of CRM. Aside from the fact that proper implementation and running of CRM is very difficult (technology,

people – employees, initial money investment etc.) the concern exists about the safety of information that companies keep about their customers, sharing information with third party and its overall protection. The entire operating principle of CRM (gathering information, recording calls, analyzing all client`s activities etc.) is invasion of privacy of customers.

7.6 GEOMARKETING

The modern trend in direct marketing is called geomarketing. Today the data that was previously only in tables, marketers enter into geographic GIS software that can create individual maps of different marketing factors that play an important role in untargeted mailing. Geomarketing is a field that processes the results of customer surveys in the form of geographic maps. The basic principle of geomarketing is not to try to communicate with the greatest number of potential or existing customers, but to focus on customers, who are most likely to hear the advertising messages, i.e. search for regions or specific customers who will be included in the ad campaign.

Geomarketing consists of digital maps and market data from various studies. This discipline allows not only displaying geodata, but also analyzing them. Existing and potential customers can be observed, how they behave in different territories (regions, counties, zip code, municipalities, parts of municipality, up to the specific address). The observed factors can be socio-demographic (age, gender, education, etc.) or economic (purchase force, unemployment, housing type, etc.).

This method can determine the following:[47]

- optimizing the placement of outdoor advertising in specific media in the region,
- analysis of commuting distance,
- analysis of specific access roads to the store, the company and its subsidiary,
- geographic visualization of clients on digital maps by chosen parameters,
- geographic opportunities, risks but also the strengths and weaknesses of regions in terms of demand and supply,
- determining the catchment areas of customer segments and markets,
- creating and optimizing sales territories,
- analysis of the purchasing power of the Regions,
- analysis of business data,
- assessment of transport accessibility of stores, etc.

For geomarketing analysis and targeting, we can use a large amount of source data. Most often data used are from the Czech Statistical Office, which are carriers of basic information such as gender, age, income, etc. In addition we can use the data derived from geomarketing analyzes, such as distance from branches or stores, commuting to the point of sale, or the amount of customers per branch.

The use of geographic information systems in marketing becomes common even in the Czech Republic (Obi, Bata, IKEA and others). The initial investment in software and map layers returns very quickly in the form of savings from well-run direct marketing campaigns, proper location for a new store or optimized sales representatives.

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[47] ČICHOVSKÝ, L., 2012. *Geomarketing zvyšuje efektivitu reklamy a informačních kampaní.* [online]. [cit. 23rd May 2013]. Available at:
http://www.marketingovenoviny.cz/index.php3?Action=View&ARTICLE_ID=10744&geomarketing-zvysuje-efektivitu-reklamy-a-informacnich-kampani

CARREFOUR: CAMPAIGN CASE STUDY

Carrefour has extensive proximity devices in all 28 of its hypermarkets in a European country through which the retail chain offers its consumers a simple, intuitive, and fun app for orientation inside hypermarkets from area to area. The retailer's proximity-enabled app offers navigation, automates the commercial content delivery, and collects essential data about in-store consumer behaviour. Its proximity marketing campaign keeps consumers informed about the products, services, and actual special offers from each of the store departments.

Once users download Carrefour's Smart Shopping app, they can select the sections they would want to go to for shopping from a predefined list of store departments. After the shopping list is completed, the application calculates a route, and shows the path to follow on the store map. As users advance from one area to another, the route is updated and the mobile phone shows them their next directions. At each aisle of the hypermarket where they stop, shoppers get notifications or active promotions with details about the products.

Utilising proximity devices, Carrefour has seen an astonishing rise in its application's engagement rate which went up by 400% and the number of app users which grew by 600% in a period of seven months.[48]

GOOGLE: GEOMARKETING CASE STUDY

One of the trailblazers in the geomarketing arena is Google. By leveraging information about customer behaviors history and preferences in conjunction with contextual location data, they are leading the charge in creating new ways to reach their customers.

A prime example of this is their Google Now program, which proactively delivers information to users, based on their search habits - for all means and purposes, it is an intelligent personal assistant.

Say for example, that you have been emailing or texting back-and-forth about your son's soccer match. As the time gets closer, a reminder will pop up on your phone with driving directions to the soccer ground.

Google Now will also keep an eye on your inbox and recognize flight confirmations, hotel reservations and concert tickets. It will take that knowledge and give you a relevant message when appropriate — such as giving you your hotel information when you land, or letting you know when it's time to leave for a concert.

Google Now is a flagship example of a contextual, geo-targeting campaign that helps users in their day-to-day lives. Platforms that can process the sheer volume of data now available to companies will z the mobile experience by combining location with consumer context. Contextual geo-marketing is the art of knowing why customers are at a location, not just that they're there. And, as Google have shown us, when you know the "why," you can better serve customer needs on an individual basis.[49]

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[48] Proxera: Case studies: Proximity in action [online]. [cit. 17th August 2017]. Available at: http://proxera.net/case-studies/carrefour/

[49] ExactDrive: Geomarketing With Google [online]. [cit. 17th August 2017]. Available at: http://www.exactdrive.com/news/geomarketing-with-google

8 SPONSORSHIP

Sponsorship is used by many businesses to increase awareness of their brands or to persuade the target audience to think more positively about the organization and/or its products. There are examples of organizations that are truly philanthropic, expecting no benefits from donations or sponsorship arrangements, but in general sponsorship is a commercial arrangement.

Once part of the endeavours of public relations to build among its target audience positive perceptions of a client´s brand, sponsorship has grown into an industry in its own right, with specialist sponsorship bodies and media guidelines. Sports events and the arts, where the donor´s logo and brand will be exposed to large audiences and viewers of broadcast events, are still the largest receivers of commercial sponsorship.

Sponsorship is often confused with the donation, which also leads to the dedication of funds products, but without the right to contractual consideration. These activities should be included in public relations because they are an expression of social responsibility in the field of charity especially towards the non-profit sector! **Sponsorship is always part of the communication activities with the expected marketing benefits for sponsor**, and therefore sponsorship must be taken into account as a separate element of the marketing communication mix! (Přikrylová and Jahodová, 2010)

8.1 SPONSORSHIP DEFINITION

Sponsorship is the financial or material support for an event, activity, person, organization, product or cause by an unrelated organization or donor. Funds are made available to the recipient of the sponsorship deal in return for the prominent exposure of the sponsor´s name or brands. (Dibb and Simkin, 2007, p. 120)

Sponsorship is a commercial relationship between the provider of finance - resources, or services, and individual - events or organizations that in turn provide opportunities that can be commercially exploited. It is a thematic communication tool, when sponsor helps the sponsored subject to carry out his/her project and the sponsored subject helps to fulfill sponsor´s communication objectives. (Přikrylová and Jahodová, 2010, p. 130)

The arts, sports television programmes, medical services and education facilities are sponsored. Sponsorships is a spin-off own specialist consultants and advisers.

It is essential when selecting a sponsorship partner that a marketer identifies a recipient with which his or her target market customers have a positive affinity. Reputable partnerships are crucial: if the image of one partner is tarnished, the fall out will impact detrimentally on the other partner(s).

The basic principles of sponsorship include (Karlíček and Král, 2011, p. 147):

- Sponsorship of events (institutions) must match the sponsor´s brand.
- Sponsored event (institutions) must reach the target audiences.
- Sponsorship should be strengthened by the presentations in other communication activities of the sponsor.
- Partnership with the event (institutions) should be long-term.

Sponsorship is popular for both the sponsor and the sponsored party (sponsored individual) because of the benefits that can be accrued by being linked to each other – it is a win-win situation. The sponsored group or individual benefits from the financial support from

the sponsor, while the sponsor enjoys the promotional value that comes with the partnership. Some of the benefits to the sponsor could be: (Ang, 2015, p. 248)

- **Exposure.** Some sporting event like the Olympics offer massive audiences worldwide, increasing the reach significantly.
- **Lack of clutter.** Unlike advertising, sponsorship allows the brand to shine through, with much less clutter.
- **Opportunity to build image**. Through evaluative conditioning, the sponsor will benefit from the positive associations of the sponsored group or individual.
- **Differentiation.** The sponsor is able to differentiate itself from its competition.
- **Exclusion of competition.** Exclusive sponsorship allows the sponsor to prevent competitive access to the same promotional opportunities.
- **Opportunity to sell goods or services.** Exclusivity can extend to goods or services sold.
- **CSR.** The sponsoring firm is able to demonstrate its corporate citizenship if the property of sponsorship is cause-related.

According to Dibb and Simkin (2007) the primary benefits for the sponsoring organization are:

- Increased brand awareness.
- Enhanced media coverage.
- Refined corporate image and community standing.
- Improved employee morale.

8.2 MAJOR SPONSORSHIP DECISIONS

Making sponsorships successful requires choosing the appropriate events, designing the optimal sponsorship program, and measuring the effects of sponsorship. Because of the number of sponsorship opportunities and their huge cost, many marketers are becoming more selective. The event must meet the marketing objectives and communication strategy defined for the brand. The range of objectives is varied: to increase awareness, to build and image, to improve or maintain relations, to increase sales and open closed markets, to attract distributors or agents. It must have sufficient awareness, possess the desired image and be able to create the desired effects. The audience must match the target market and make favourable attributions for the sponsor´s engagement. An ideal event is also unique but not encumbered with many sponsors, lends itself to ancillary marketing activities, and reflects of enhances the sponsor´s brand or corporate image.

Many marketers believe the marketing program accompanying an event sponsorship ultimately determines its success. At least two to three times the amount of the sponsorship expenditure should be spent on related marketing activities. Event creation is a particularly important skill in publicizing fund-raising drives for non-profit organizations. Fund-raisers have developed a large repertoire of special events, including anniversary celebrations, art exhibits, auctions, benefit evenings, book sales and so on. More firms are now using their names to sponsor arenas, stadiums and other venues that hold events, spending billions of dollars for naming rights to major sports facilities. But as with any sponsorship, the most important consideration is the additional marketing activities.

It is challenge to measure the success of events. **Supply-side methods** for measuring an event´s success assess the media coverage, for example, the number of seconds the brand is clearly visible on a TV screen or the column inches of press clippings the mention it. These potential "impressions" can translate into the dollar cost of actually advertising in the particular

vehicle. Although supply-side methods provide quantifiable measures, equating media coverage with advertising exposure ignores the content of the respective communications. The advertiser uses media space and time to communicate a strategically designed message. Media coverage and telecasts only expose the brand and do not necessarily embellish its meaning in any direct way. **The demand-side method** identifies the sponsorship´s effect on consumers´ brand knowledge. Marketers can survey spectators to measure their recall of the event and their resulting attitudes and intentions toward the sponsor. (Kotler and Keller, 2016, Smith and Zook, 2012)

8.3 OBJECTIVES OF SPONSORSHIP

It can be stated that the sponsorship has two basic communication objectives: to generate awareness and promote positive messages about the product and the company (see Table 8-1). Sponsorship and advertising, there are many differences - advertising is under the full control of the company. Effective sponsorship must be accompanied by other communication activities.

When selecting a sponsorship partnership, it is essential that both parties are at ease with each other´s standing and that the target audience would not be surprised or alienated by the choice of partner. This relation is known as the **sponsorship fit.** Therefore the company should carefully analyze the common association of the brand and the sponsored event or institution. (Karlíček and Král, 2011, p. 143) For example, a product for the higher income demographic group will be supported by the sponsorship of tennis, golf or art, while sponsorship of popular music festivals is typical of products for young people.

Table 8-1: Objectives of sponsorship

The communication objectives of the company	**Public**	Public awareness of the company increase
		Company image support and enhance
		Public perception of the company change
		Interest in local affairs
	Business relationships and their subjects	Promoting trade relations
		Company hospitality
		Trade name presentation
	Employees	Improving relations with employees and their motivation
		Recruitment enhancing
		Help for sales success
	Opinion leaders and decision-makers	Media attention increase
		Counterbalance to the negative publicity
		The pressure on policy makers and stakeholders
		Personal goals of top managers
The objectives of marketing communication	**Awareness creation**	Awareness among current customers increasing
		Awareness among potential customers increasing
		The confirmation of leading market position
		New product awareness increasing
	Brand image	Brand perception change
		Connecting brands with a specific market segment
	Sales and market share	Generating interest in trying a new product
		The increase in sales and market share

Source: Pelsmacker, Geuens and Bergh (2003, p. 334)

Sponsorship can establish awareness and help to build a brand and its presence in a market. It can also generate goodwill and affection if managed correctly. Sponsorship

programmes can be used for employee motivation schemes. Sponsorship is more effective than advertising of a CPT basis and can also engage customer if the sponsorship is leveraged into other environments such as websites, games and user-generated content. Sponsorship can be used to spread awareness over global markets or local niches.

Sponsorship cannot close sales. In only creates awareness. It can carry only a very limited message, usually just a brand name, although some brands leverage the sponsorship into many diverse aspects, which allows more detailed brand value messages. The message cannot be controlled, e.g. a football hooligan wearing a club shirt with a sponsor´s brand can be on the front page of a newspaper attacking a police officer. Guerrilla marketing can also damage the sponsor´s impact. It is not so easy to change a message or to exit a sponsorship programme quickly (unless carefully planned). As with PR, there is a lack of control, as strikes, riots, weather and media all affect the impact of sponsorship. (Smith and Zook, 2012)

8.4 SELECTED TYPES OF SPONSORSHIP

All sector of society can be targeted and reached through sponsorship. Just about anyone or anything can be sponsored. The obvious areas are sport, the arts, education, community and broadcast.

- **Sports sponsorship** is the most famous. Companies can sponsor a football contest, teams, athletes, sports programs (e.g. O2 Extraliga ice hockey, Škoda Auto as the main partner of cycling race Tour de France). On the other hand, a sponsorship of sporting events has many disadvantages and produces a range of threats. It should be noted that sometimes sportsmen attract media attention. It is not always to the benefit of the sponsor.

- **Cultural sponsorship** is the support of theaters, museums, galleries, orchestras, festivals and cultural events, exhibitions, libraries and so on. It can be a support to individuals, events or culture areas (e.g. RWE Transgas as a partner of Prague Spring Music Festival). (Přikrylová and Jahodová, 2010, p. 133)

- **Media and programs sponsorship** is typical of some countries (also in the Czech Republic), where the channels are owned by the government and advertising is prohibited. Sponsors are very closely associated with the program, so the audience thinks that the sponsor is actively involved in its preparation (e.g. autumnal sponsorship of the weather forecast by the producer of medicine against flu and cold). Viewers prefer media and programs sponsorship to classical advertising. According to research, the effect of this form is only if there is a long-term relationship between one exclusive sponsor a program.

- **Professional sponsorship** or the business plan and career growth support with a view to future participation in the profits of the project (project of Siemens company - the participation of large enterprises in international research and development cooperation). (Přikrylová and Jahodová, 2010, p. 133)

- **Commercial sponsorship** is a project of partners´ support which focused on the consolidation of long-term business relationships (such as sports club sponsorship). (Přikrylová and Jahodová, 2010, p. 133)

- **Ambush marketing or guerrilla sponsorship.** Occasionally a competitor will try to divert the audience´s attention to itself by implying that it is sponsoring the event. It is called ambushing. Ambush marketing, a term first coined by marketing guru Jerry Welsh, has not

really been rigorously defined. However, it broadly refers to a situation in which a company or product seeks to ride on the publicity value of a major event without having contributed to the financing of the event through sponsorship. It is typically targeted at major sporting events - like the Olympic Games or the world cups in various games - and is a strategy adopted by rivals of the official sponsors. What forms does ambush marketing typically take? In its more crude forms, ambush marketing could involve unauthorised use of logos or designs associated with the event. More often, however, ambush marketing involves more subtle forms of confusing or misleading the public about who are actually sponsoring the event.[50] For example, during the 1998 soccer World Cup it was common for firms to use World Cup events in their advertising or sales promotions without actually sponsoring anything to do with the event itself. (Blythe, 2003, p. 122) An example can be also the classic 1984 ambush by Kodak when it sponsored the ABC TV coverage despite Fuji being the official Olympics sponsor. In 1988 Kodak was the official Olympics sponsor while Fuji sponsored the US swimming team. (Smith and Zook, 2012)

ABSOLUT VODKA & LADY GAGA TOUR: SPONSORSHIP CASE STUDY

Absolut has always pushed the boundaries of contemporary culture through creative collaborations with artists spanning art, music and fashion. Beginning in 1985, when Andy Warhol created the first in a series of iconic advertisements inspired by the Absolut bottle, Absolut has collaborated with more than 550 artists on over 850 commissioned projects. With its new brand ethos "Transform Today", Absolut transforms the way the brand collaborates with artists, and strengthens its effort to connect to global audiences through the common language of art. Sharing a vision to inspire artistic transformation and connect with fans through art, music and fashion, Lady Gaga and Absolut created an innovative partnership to connect with the creative spirit in all of us via a multi-faceted collaboration. Recognized by Forbes in 2013 as the most powerful musician in the world, Lady Gaga is a groundbreaking creative force and global superstar. For Absolut, the opportunity to partner with an artist at Lady Gaga's echelon was simply too good to pass up. As the exclusive sponsor of the "Absolut ARTPOP Lounge", a VIP Seating area built into the stage, Absolut had high visibility integration into Lady Gaga's performance at each show. But their partnership with Lady Gaga extended much further beyond the stage, into social channels, retail relationships and hospitality.

Key features:

- Category business exclusivity.
- Use of tour name and artist likeness.
- Naming rights to the ABSOLUT ARTPOP Lounge.
- Absolut promotional signature cocktails.
- Exclusive VIP hospitality, seat upgrades, and promotional tickets.
- Off-premise retail activations and promotions.
- Flyaway to experience Lady Gaga in Sweden.
- Social media posts to Lady Gaga's 65 Million Facebook fans.

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[50] Ambush marketing [online]. [cit. 25th April 2014]. Available at: http://economictimes.indiatimes.com/definition/ambush-marketing

Results: 96M+ Impressions to date**,** 121 Media campaign placements**,** 500k+ Attendance at live shows**,** 28 Sold out shows.[51]

NISSAN AND THE UEFA CHAMPIONS LEAGUE: CASE STUDY

In 2014, Japanese carmaker Nissan agreed a partnership with the Uefa Champions League (UCL). The challenge was to create an integrated campaign that could be activated in over 90 countries, deliver a strong business impact and bring to life Nissan's core brand pillars of "Innovation and Excitement".

Nissan's core objectives for the sponsorship were to drive brand familiarity, positive opinion and purchase intent. The Uefa Champions League formed a core pillar of Nissan´s overall marketing communications activities. Fans were given 'unexpected access' to the biggest games and the biggest players in the biggest annual sporting event in the world.

After the first season, Nissan saw substantial increases in awareness and purchase intent. Moreover, UCL fans increasingly perceived Nissan as an innovative and exciting brand.[52]

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[51] Live nation: Sponsorship [online]. [cit. 20th August 2017]. Available at: http://sponsorship.livenation.com/work/absolut/

[52] Sport Business: Sponsorship Works 2016 | Sponsorship Case Study | Nissan and the Uefa Champions League [online]. [cit. 20th August 2017]. Available at: https://www.sportbusiness.com/sportbusiness-international/sponsorship-works-2016-sponsorship-case-study-nissan-and-uefa-champions

9   ONLINE MARKETING COMMUNICATION

Internet is a computer network infrastructure allowing the exchange of digital information in the world. The Internet was originally developed for military purposes and to communicate in the event of nuclear war and then applied for the exchange of information in an academic environment. At present, it is an exclusive and independent medium which is not owned or operated by commercial or government organizations. Internet has essentially affect on all instruments of marketing mix. The most obvious impact of the Internet is on marketing communication. Communication via the internet is gaining importance due to the constant changes and dynamic environment, globalization, but also the development and greater use of new technologies. Internet offers a new alternative way of marketing communications to inform about products and to assist within purchasing decisions. (Pelsmacker, Geuens and Bergh, 2003) Undoubtedly the most used Internet service is the website and e-mail.

9.1   ONLINE MARKETING COMMUNICATION DEFINITION

Online marketing communication refers to a set of powerful tools and methodologies used for promoting products and services through the Internet. Online marketing communication includes a wider range of marketing elements than traditional business marketing due to the extra channels and marketing mechanisms available on the Internet. Online marketing has outsold traditional advertising in recent years and continues to be a high-growth industry. Online marketing communication is also known as Internet marketing, Web marketing, digital marketing and search engine marketing (SEM).[53]

Online marketing communication can deliver several benefits such as:
- Growth in potential.
- Reduced expenses.
- Elegant communications.
- Better control.
- Improved customer service.
- Competitive advantage.

The broad online marketing spectrum varies according to business requirements. Effective online marketing programs leverage consumer data and customer relationship management systems. Online marketing communication has several advantages, including:[54]
- **Low costs:** Large audiences are reachable at a fraction of traditional advertising budgets, allowing businesses to create appealing consumer ads.
- **Flexibility and convenience:** Consumers may research and purchase products and services at their leisure.
- **Analytics:** Efficient statistical results are facilitated without extra costs.
- **Multiple options:** Advertising tools include pay-per-click advertising, email marketing and local search integration (like Google Maps).

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[53] Online marketing [online]. [cit. 25th April 2014]. Available at http://www.techopedia.com/definition/26363/online-marketing

[54] Online marketing [online]. [cit. 25th April 2014]. Available at http://www.techopedia.com/definition/26363/online-marketing

- **Demographic targeting:** Consumers can be demographically targeted much more effectively in an online rather than an offline process.

9.2 ON-LINE CUSTOMER´S CHARACTERIZATION

Global communications networks that create virtual space change our lifestyle and interfere with our consumer and buying behaviour. The Internet allows a strong change in the interaction between consumers and their interaction with companies. Indeed, it is a new model of marketing communication in a hypermedia environment where consumers can interact with a given medium while interacting with it and creating the environment they use. (Vysekalová et al, 2011, p. 69-70)

Since its creation, the Internet has been providing an infrastructure for greater interaction between the direct seller and the direct consumer. Virtual communities of consumption are specific groups of virtual communities that focus exclusively on consumer interests and which can be characterized as sister groups whose online interaction is based on a common enthusiasm or knowledge of any particular consumer activity. For example, there are members of an e-mail address sent by a collector of Barbie dolls who create one virtual community, or of regular contributors to a site dedicated to wine experts. The results of the research conducted by Kotzines summarize the four different types of virtual communities: (Vysekalová et al, 2011, p. 69–70)

- **Tourists** – who do not have social links to a group and have only a superficial interest or a temporary interest in that consumer activity.
- **Mingler** – people who fit in the group have strong bonds, but they have only a superficial interest in the given consumption activity.
- **Enthusiasts** – They show great interest and enthusiasm for the consumption activity, but have less social ties to the group.
- **Insurgents** – who have strong personalities linked to consumer activity as well as to the group.

An online customer wants to quickly and comfortably find out about the product: the need for the product to solve, the price of how the product looks and where it is bought. In a flood of Internet content, it scans capture points in text, images, summaries of boxes and spreadsheets. It is in "search mode", not tuned to a quiet browsing through the paper catalogue. Therefore, it is necessary to be maximally concise and concise, the texts must be drawn attractive and the main ones - supplemented by hyperlinks. What is the main added value of the online environment is the ability to refer to other related content and to give the text a diverse context. Over time, however, customers begin their habits from online environments to off-line usage. In TV ad, you do not have a call to visit a branch, but rather a link to a product website. Off-line materials and catalogues are becoming increasingly hesitant, relying on striking headlines and clear formatting. (Sálová et al., 2017, p. 30)

It is a well-known saying that if you have a good experience with a brand, you may tell one person; but if you have a bad experience, you tell ten others. Today, through on-line sharing of experiences, the experiences can be shared much more widely. In 2012 Smart Insights reported that over 44 % of adults now use the web to share grievances about products, with new customers expecting to interact with companies on-line and get a speed response. At the same time, many companies are ignoring comments by customers made on the social networks, with one survey showing that 95 % of customer Facebook posts were ignored by brands. Some are even facilitating it; for example, McDonald´s asked its Facebook followers and Twitter fans to share their experiences under a hash tag #McStories, which was hijacked by customers complaining about negative experiences. (Chaffey and Smith, 2013)

The report recommends that to minimize the impact of customer complaints: (Chaffey and Smith, 2013)

- The customer service operation is equipped to monitor and engage with a targeted spectrum of media.
- Companies fully understand where, why and how their customers are using social media before making any social media marketing changes.
- A balance is struck across different types of media – telephone, email, web, social network and mobile.
- The power of on-line communities is recognized, and customers are encouraged to help each other.
- Relationships are nurtured with advocates who wield particular influence on the Internet.
- Specialist tools are used to measure the impact of customers´ on-line activity.

On-line marketing certainly has its own specifics, but it is still a person with all the personality, attitudes, opinions, feelings and social background that makes use of the next option. Generally, the analysis of online shops or e-commerce projects analyses the technical side of the project and forgets a little about the man. (Vysekalová et al, 2011, p. 77)

9.3 ON-LINE VERSUS OFF-LINE MARKETING COMMUNICATION

An on-line community is a virtual community that exists on-line. Its members enable its existence through taking part in the rules of the community and behaviour of the group. These groups share a concern or a passion for something they do and learn how to do it better as they interact regularly. The group has something in common that makes them a group. It might be an interest, a problem or a love for a brand. This common interest is the magnet. The stronger the magnet, the more members in the group. With respect to differences in on-line and off-line communities, it is obvious that on-line communities are more based on shared interests, while real-life communities and networks depend rather more on place (neighbourhood or village) of shared ancestry/family ties. Furthermore, there seems to be a difference in the value of on-line and off-line communities. In order to become a truly valuable link, interaction must occur off-line as well as on-line. (Molenaar, 2013)

At the dawn of on-line marketing there was a sense that the Internet was somehow different and separate from the rest of society. The whole thing operated under a variety of assumptions regarding the independence of Internet activity from off-line activity, which can be summarized in three famous rules:

- The separation of identity from reality, known as the Vega Rule (What happens in Vegas stays in Vegas.).
- The separation of on-line activity from off-line personal reputation, using the Tour Rule (What happens on tour stays of tour.).
- The separation of actor from action, with an acknowledgement that you could talk about the action but not who was involved, by using the Chatham House Rule (Participants are free to use the information received but neither the identity nor the affiliation of the speaker(s) nor that of any other participant may be revealed).

This approach worked for the first few years of on-line marketing until the relative ubiquity of access to the Internet, combined with the widespread plastering of URLs on everything, led to what can only be described as an e-business singularity – what happens on the Internet impacts on off-line brands, and what happens off-line is discussed on-line. (Dann and Dann, 2011)

9.3.1 ADVANTAGES AND DISADVANTAGES OF ON-LINE AND OFF-LINE MARKETING COMMUNICATION

Given the amount of time people spend of the Internet, particularly on social sites such as Facebook and Twitter, it makes sense to join. In. The average consumer tends to be way ahead of most businesses in their use of social media. If your market is spending time on these sites, so should you – go where your market is. Specific reasons why on-line marketing communication works for business include: (Reed, 2012)

- **Building trust.** People always prefer to do business with people they know. Clients and customers can get to know companies through their on-line presentation.
- **Starting conversation.** It is about conversation, not a lecture. A two-way dialogue with the customers and prospects is much more effective than a one-way broadcast of marketing message.
- **Building communities and relationships.** It necessary to think about market as a "community of interest" and build around a particular topic related to the business.
- **Low-cost.** Most of the tools are available either free or very cheap. The investment is often in time rather than money.

There is no doubt **off-line communication** works. It is effective in achieving four critical things:

- Reach, since newspaper, TV and postal communications are used by virtually all consumers.
- Brand awareness through using high-impact visuals.
- Emotional connection with brand again through visuals and sounds.
- Explanation of the on-line value proposition for a brand. (Chaffey et al., 2009)

A further benefit is that for any give objective, integrated marketing communications received through different media are more effective in achieving that objective. We mentioned this cumulative reinforcement effect of integrated marketing communications when referring to the 4 Cs coherence, consistency, continuity and complementarities. Having said this, the disadvantages of using off-line communications to encourage on-line channel usage compared to many on-line communications tools are obvious. In general the **disadvantages of off-line communications** are:

- **Higher cost.** Return on investment tends to be higher for on-line communications such as search engine optimisation, pay-per-click marketing or affiliate marketing.
- **Higher wastage.** The well-known expression about "half my advertising is wasted, but I don´t know which half" may be true about off-line marketing, but it is not true on-line if the right tracking processes are in place.
- **Poorer targeting.** Targeting by behaviour, location, time, search keyword, site and site content is readily possible on-line. This tends to be more targeted compared to most off-line media (apart from direct marketing).
- **Poorer accountability.** It is straightforward to track response on-line – off-line it is expensive and error-prone.
- **Less detailed information.** The detailed information to support a decision can only be cost effectively delivered on-line.
- **Less personalised.** Although direct mail can be personalised, personalisation is more straightforward on-line.
- **Less interactive experience**. Most off-line communications are one-way – interaction is possible on-line with the right creative. (Chaffey et al., 2009)

9.3.2 *SELECTED ON-LINE TOOLS WITHIN MARKETING COMMUNICATION MIX*

The text below defines only three elements of marketing communication mix within online environment.

ADVERTISING ON-LINE

Advertising is changing all the time, and it the last years it has seen some massive changes that challenge the nature of advertising itself. It is morphing into dialogues, social media, user-generated content and a myriad of wonderful new ways of communicating with customers. Customers still want relevant advertising to inform them, entertain them and challenge them just as it always has. After all, advertising does inform, persuade and remind. It can still, very quickly, help to build brands, raise awareness and nurture brand relationships, and all in a relatively controlled environment. So, although it will not be the same as before, there is a future for integrated advertising. This means that managers will still have to be able to manage the development of an advertising campaign, which will be explored after considering the new forms of advertising:

- **Contextual advertising and behavioural advertising** – marketers are now free from the limitation of segmenting and targeting customers with "monochrome" classifications such as 18 to 25 year old ABS1s. In addition to age and sex, location, workplace and college, today marketers can target customers according to their actual behaviour, interests and passions (by keywords used). As each targeting criterion is selected, Facebook displays the approximate number of users that fit the profile. Other on-line organizations, such as newspapers, can now serve very specific ads to readers on-line determined by the words on the pages they read, the number of pages they read and how often they read these pages. Ads can be selected according to a customer´s changing status or status updates on Facebook. For example, a man who announces to his network of friends that he is getting married or updates his status with "I´m getting married" or I´ve just got engaged" will find that he is subsequently served ads about wedding photographers, suit hire, limousines, romantic honeymoon holidays and maybe even wild stag venues. This is contextual advertising; it is also called behavioural advertising. (Smith and Zook, 2011, p. 282-288)
- **Location-based advertising** – for some time now, it has been possible for ads tailored to geographic areas to be served on-line by Google, Facebook and other platforms. This is called geo-targeting, which basically serves ads tailored to where website users are geographically located. Location-based advertising, on the other hand, uses location tracking technology in mobiles to target customers with specific ads relevant to their actual location as they travel around. (Smith and Zook, 2011, p. 282-288)
- **User-generated ads** – Chevrolet´s Tahoe opened up the concept by placing the winning user-generated TV ad during the Superbowl. It is increasingly popular, arguably because it employs the magic formula (identify needs, reflect them and deliver them). Users are invited to create an ad, whether TV or press. The PR machine works hard behind the scenes helping to spread the word of mouth as the final selections are narrowed down to a winner. Social media communities ideally buy into it and spread the word even further. Naturally, there are some disadvantages, as negative ads can be created and posted for public viewing. It can be moderated, but as with most aspects of social media it is best to be transparent. (Smith and Zook, 2011, p. 282-288)
- **Long-form ads** – can help a brand stand out from the clutter and do not necessarily cost more than traditional 30-second or 60-second ad, as, firstly, they can be repurposed and, secondly, there is less need to buy media space. Absolut Vodka created a 15-minute

documentary commercial featuring Jay-Z called NY-Z; Kraft Foods Greek chocolate brand Lacta created a 27-minute user-generated branded movie initially for on-line consumption but eventually seen on local TV (free), as it generated so much buzz. (Smith and Zook, 2011, p. 282-288)

- **Short-form ads** – Somebody had to do it sooner or later, and Miller beer did it – a one-second TV spot during the Superbowl 2009. The ad cost a fraction of the 3 million dollars normally charged for 30-second spots during Superbowl. The ad, played by actor Windell Middlebrooks, gave one second of inspiration and reminded viwers that "High Life is common sense in a bottle". (Smith and Zook, 2011, p. 282-288)

- **Sponsored TV** – BBC now only considers commissioning new TV programmes that satisfy their "find, Play, Search" Criteria. This includes finding the programmes or user-generated content related to it across several social media platforms, sharing them with friends, drilling down to new depths of knowledge, and encouraging user-generated creativity in everything from apps and widgets to more traditional user-generated content. New-staled sponsored TV programmes, like "Bud House" draw on social media and UGC. (Smith and Zook, 2011, p. 282-288)

- **Apps – the new ads** – "apps" are useful software applications that provide, or allow users to do, just about anything from a mobile phone, eg calculator, petrol prices locator, music identifier, sports new, weather forecast, golf swing analysis, stock market feeds, managing bills, learning a language, and "On this day". Kraft Foods iFood app offers help and reinforces the brand value. One of the most popular is zippo´s app, which displays a flickering flame. (Smith and Zook, 2011, p. 282-288)

- **Integrated mobile, apps, TV and social TV** – apps extend the user experience beyond the TV with a much wider array of engagement activities and, although the TV programme may be over, prolong the sense of being in an audience or group, thereby adding value, extending the customer experience, deepening engagement and boosting satisfaction levels, awareness levels and, ideally, recommendation levels. (Smith and Zook, 2011, p. 282-288)

- **Postmodern ad** – a new style of advertising, postmodern advertising, may at first seem a little abstract, and certainly unconventional, as neither the user nor the product is the hero. Old-fashioned ad people find it difficult to understand how an ad that doesn´t appear to address a brand´s values or have any apparent link to the brand can work. (Smith and Zook, 2011, p. 282-288)

- **Creative ads** – marketers need even more creativity. Some websites can be information heavy, and therefore a quick creative ad can be a quick pleasurable experience. So marketers have to be relevant and increasingly creative, challenging and sometimes contentious to break through the clutter. (Smith and Zook, 2011, p. 282-288)

SALES PROMOTION ON-LINE

Sales promotion is big business. In fact, it is bigger than advertising in the UK. Sales promotions, premiums, incentives and motivation schemes are used for both products and services in consumer, business-to-business and industrial markets. Sales promotions are action orientated, particularly as they often tempt the buyer to buy, or at least try, a product or sevice. (Smith and Zook, 2011, p. 358-364)

Virtual gifts: Although marketers are puzzled by why consumers pay real money for non-existent goods (virtual goods), there is an element of conspicuous consumption involved. Marketers understand how this influences both off-line and on-line buyer behaviour, particularly if it either is a collectable item or has status symbol attachment, or both. The virtual

American Greeting case demonstrates how the difference between the virtual world and the real world is blurring all the time. The film The Matrix explained this in a more dramatic manner. This is all brought back down to earth in the box opposite by Michael Zeisser with a useful analysis of virtual gifts. (Smith and Zook, 2011, p. 358-364)

Social media: It has become an essential element of any sales promotion campaign, as word spreads fast across social media platforms. Social media is "social", and that means people like to be sociable, by keeping in contact, sharing relevant information. In fact, people´s image or status is increased if they have sourced "free stuff" or special offers, particularly if the offers are limited offers. Spreading useful information about sales promotions adds value to the connection, and people are deemed more worthwhile the more good stuff they have to share, so sales promotions naturally lend themselves to social media. (Smith and Zook, 2011, p. 358-364)

DIRECT MARKETING ON-LINE

Direct marketing includes any marketing communications tools that interact directly with customers. This includes direct response advertising, telemarketing and direct mail. The growth of direct marketing, in general, and direct mail, in particular, has been fuelled by:

- **Tailor-made technology** – on-line newsletters and e-mails as well as off-line newsletters, newspapers and letters can be personalized by name and also by relevant needs, for example, many years ago the US Farmer´s Journal´s 825 000 circulation received a tailor-made magazine with a minimum of 2 000 and maximum of 8 896 different editions per issue. Essentially, the pig farmer´s edition would not carry features or advertisements about cereal farming, etc. Farmers prefer their magazine to carry relevant material. The advertisers like it, because it offers better targeting. The magazine saves money on paper and post. The environmentalists might prefer it too. One day everyone might have their own personalized magazine. Personalized interactive TV programmes are already running in Spain and France, while the Internet provides personalized newspapers, and tailored on-line newsletters are common. (Smith and Zook, 2011, p. 380-384)
- **Profiling technology** – Basic technology allows different mailing lists and databases to be added together and even superimposed on each other. Lists can be merged, and any overlap or duplications can be deduplicated. Geodemographics mix geographical location, type of neighbourhood and demographic data such as age, income and family life cycle. Other fields or layers of data can be added. Everyone fits into a cluster, eg from the keying of an address the database identifies the neighbourhood´s cluster type or profile. This geodemographic typecasting uses shorthand names to identify cluster types. For example, a US database company classifies people with mature families living in affluent suburbs as "pools and patios", whereas poorer rural area, are called "shotguns and pickups". People living there may have aspirations to move towards "golf clubs and Volvos". (Smith and Zook, 2011, p. 380-384)
- **The list explosion** – The third factor fuelling the growth of direct marketing is the proliferation of lists or databases available both on-line and off-line. The only restriction is imagination, or one´s ability to define a target market or customer profile in a range of different ways. For example, home decorators could be redefined as "home movers". The million or so UK home movers could then be reduced to those moving into certain geographic locations or even neighbourhood areas, which might indicate their propensity to undertake the decorating themselves. A list, or a section of the list, can be hired or bought, and tested and/or refined by using certain software packages. It is important to select and check lists carefully, since the quality of many of the UK´s "cold" lists can be a problem,

although data integrity is now much improved, especially with newer lifestyle databases. (Smith and Zook, 2011, p. 380-384)

- **Integrated marketing** – Direct marketing can, and should, integrate with other communications tools. It can link different direct marketing tools to create a more cost-effective method of marketing communications. Depending on the quality of the lead, the lead can be followed up by mailing a brochure, or hot prospects might be telephoned to set up an appointment or to invite them to an event. The lead generation might be created in the first place by a direct mail offer that invites readers, viewers or listeners to send in for a free gift. Some marketers maintain that 45 % of business enquirers will buy within the 12 months. The challenge then lies in identifying the hottest prospects and directing the sales force to the 1 out of every 2.2 enquirers who will buy within the 12 months, and then to follow up the other leads over time. Identifying the hottest prospects or "screening" can be carried out by following up with an outbound telephone interview to determine the prospect´s status. Alternatively, the analysis can be carried out directly from the coupon if it was designed to capture the required detailed information. The outbound phone call can screen and ultimately fix an appointment for the sales or progress to the next appropriate stage in the buying process. Alternatively, an inbound phone catering for an 0800 or Freephone number can accommodate enquiries generated from either a direct response advertisement or a mailshot. This is only the start. After the initial sale, database marketing can help to keep in touch with customers as they move towards a repeat purchase. Conservative estimates suggest that it is five times easier to sell to an existing customer than to a new one. (Smith and Zook, 2011, p. 380-384)
- **The constant search for cost-effectiveness** – Ideally, costs should be measured against results, not simply outputs. The cost of testing say a telesales campaign might be, say, 10 000 pounds, but the result might be 2 % success or 20 new customers. The cost per order or cost per customer in this case is calculated as 500 pounds. The results, and costs, may vary if, for example, the telesales team is focused only on appointment setting and the field sales team handles the rest. Telesales can be used to support a sales force by servicing accounts over the phone instead of having a sales rep visit every month. Telesales can also be used to generate or even screen leads. (Smith and Zook, 2011, p. 380-384)

9.4 WEBSITES AND SOCIAL MEDIA IN MARKETING COMMUNICATION

Communication on the Internet can have various forms - forms such as websites, electronic advertising letters, banners, PR articles, paid links and other formats. Many of the above mentioned issues can be included into other elements of the marketing communication mix. Therefore, for our purposes, we will include into this marketing communication element **websites and social media.**

Websites can help to establish the credibility of a brand, engage customer in a unique way and convert them into lifetime customer and brand advocates. Combine this with social media platforms, and the combination can be used to move customers up the ladder of engagement and spread the word. The website is a controlled environment. Added value can be given to the site continually, so social media can help to create awareness and engage customers all the way through a purchase and becoming an advocate. While the website is generally not a tool for building awareness, it is a tool for nurturing awareness into relationships. Social media, on the other hand, can create awareness, change attitudes and help to convert prospects to customers and customers into lifetime customers. (Smith and Zook, 2012)

Websites are totally dependent on traffic. No traffic makes a website useless. Investment is required for, first, traffic-building campaigns and, second, maintenance of the site with fresh

content. Equally, social media requires a continued feed of fresh content. This can be resource hungry, and a yet there are a few models to indicate the optimum resource allocation here. The usual issues of servers crashing, security hacker, scams and spammers jeopardizing the control of the message are challenges, and constant vigilance is required. Equally, conversations across the full social media spectrum need to be monitored and tracked continually. Scope creep can mess up a website, as can poor content management, e.g. out-of-date content left online. Maintenance is essential. (Smith and Zook, 2012)

9.4.1 WEBSITES

The websites of the company could be considered as a tool of direct marketing because they allow direct sales, they are interactive, they can customize the content and form according to the individual needs and because there is a very good measuring of their effectiveness. It is also possible to identify the websites as a tool of public relations because they enable communication with key groups, such as employees, potential employees, journalists, partners or customers. Websites, however, are also an advertising tool because they are used primarily to enhance the brand image. Indeed, they are also an instrument of sales promotion, because it is possible through websites to hand out on-line coupons, organize marketing competitions, etc. (Král and Karlíček, 2011)

The quality of the customer´s experience, both online and offline, directly affects brand image. Poor product quality and sloppy service destroy brands more quickly than any large advertising budget can build them. Sloppy websites not only kill sales, but they can destroy a brand. Whether it is broken links, long registration forms or confusing order forms, error-laden websites all do serious damage. Web usability expert Jacob Nielesen identifies four basic website factors that keep visitors satisfied and coming back again and again: 1) high-quality content, 2) easy navigation, 3) quick downloading and 4) updated information. (Smith and Zook, 2012)

Among the principles of website presentation according to Král and Karlíček (2011, p. 182) belong these instructions:

- Before creating websites is necessary to determine their primary function and target group.
- Websites must offer attractive and actual content to the target group.
- The content of the websites should be convincing and meet the stated objective.
- The websites should be optimized for Internet search engines.
- The websites should be user-friendly, i.e. clear, logical, accessible and intuitive.
- The websites should have aesthetic graphic design that matches the brand positioning.

The **microsites** are a special type of company presentation on the Internet. This is a website focused on smaller-scale presentation of selected, usually narrow category of products, promotions or events. They usually have a different goal, graphics and Internet address than the company overall websites. The microsites often represent the support of complex communication campaigns. It is highly effective in practice to connect microsites with the contest or interactive game (advergaming).

9.4.2 SOCIAL MEDIA

The social media is the biggest change since the industrial revolution. On-line social media can be defined as an open interactive online applications that support the formation of informal user networks. Users create and share in these networks, a variety of content, such as

personal experience, innovations sharing, experiences, opinions, videos, music or photos. (Karlíček and Král, 2011, p. 182)

Social media are a group of Internet based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content. In other words social media refer to a broad range of web based applications and social networking sites are one of the many applications that are available. Others include weblogs, content communities (e.g. You Tube), collaborative projects (e.g. Wikipedia), virtual game worlds (e.g. World of Warcraft) and virtual social worlds (e.g. Second Life). (Fill, 2011, p. 364)

Terminology and division of online social media is very confusing and inconsistent. According to Karlíček and Král (2011, p. 182) the following groups of social media can be defined:

- Social networks (Facebook, My Space, LinkedIn, etc.).
- Blogs (significant source of online WoM).
- Discussion forums (discussion of certain product categories - travel or automotive).
- Other on-line community (e.g. community focused on videos sharing - YouTube, photo sharing - Tomato, games sharing - FarmVille, etc.). Online communities are mainly used by companies to spread viral marketing messages.

Principles of online social media (Karlíček and Král, 2011, p. 189):

- Attractive content.
- Content must be in accordance with the communication objectives of the company.
- Content should cause viral spread.
- Content should always be "nourished".
- The company should communicate with the users in active, interactive and credible way.

9.4.3 MARKETING COMMUNICATION ON SOCIAL NETWORKS

Social networks are a new type of web applications. They evolved in the late 20th century, but their massive development can be traced back to the first decade of the 21st century. The predecessors were the news servers, online photo galleries, internet dating services, etc. The current form of social networking is based on the relationships between users (known as "friendship" in the case of Facebook, "follow" in the case of Twitter), content creation by them and the minimal operator interference in their activities. A major difference from the previous communication platforms is that the identity of users of social networks is identical to their real identity. (Bednář, 2011, p. 10)

Of the total time spent on the Internet, 22.5% of the time is spent on social networks and blogs, 9.8 % in online games, 7.6 % reading emails, only 4.5 % on web portals, 4.4 % watching videos and 4 % searching. Social networks and blogs visit 4 of 5 active Internet users. As many as 53 % of active users of social networks follow a brand and 32 % follow a celebrity. The main platforms in the Czech Republic are: Facebook, YouTube, Foursquare, LinkedIn, Twitter and Google+, though the last two are known the least compared to the world.[55]

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[55] Web portal APRA, 2013. [online]. [cit. 21st May 2013]. Available at: http://www.apra.cz/cs/

FACEBOOK

Facebook is currently the largest social network that allows you to tailor relationships (whether personal or professional), communicate, share multimedia content, and provide a source of fun (competitions, applications, etc.). From the point of view of companies, this is a unique tool for communicating with existing and potential customers. Whether through direct interaction or through marketing campaigns, such as buying a product or participating in a company profile competition. There is plenty of advertising on Faceebook, but it is important to choose the right streets to get the best results. The largest companies on Facebook are companies in the field of small-business, technology and software education, health care (basically everything related to health) and production. With the development of the Internet in so-called "smart" mobile phones, the number of "mobile" Facebook users is rising - more than 600 million now. It is therefore necessary to count on them. (Podzimek, 2014, p. 139-143)

Social Communication Opportunities on Facebook: (Podzimek, 2014, p. 139-143)
- Improving the company image.
- Brand building.
- The network is suitable for launching a new product, especially for specific target groups (eg cyclists, mountaineers, athletes, women on maternity leave, etc.).
- An excellent tool for PR communications.
- Target specific groups according to their interests.
- Improved position on search engines.
- By appropriately selected communications, sales can be increased (or at least promote sales).

Threats from social networking on Facebook: (Podzimek, 2014, p. 139-143)
- Necessary permanent maintenance and communication with fans.
- The risk of network abuse by own employees.
- The need to keep track of the frequent changes that appear on the network and to adapt to them.

Company profile and marketing tools on Facebook are represented especially by FB page and FB report. (Podzimek, 2014, p. 139-143)

FB page: The company profile serves for official brand communication with existing and potential customers. The more the fans have, the more people the company is able to reach through their communications. The basis of each profile is information about the company that can be filled in the profile. However, emphasis should be placed on the quality of the information, not on its quantity. An integral part of the basic "equipment" of the profile is the used graphics on the profile and the opening photo. Many companies (unfortunately, even the big ones) often forget that the quality of the pictures of these photos is very important. They are the presentation and reflection of the company itself, reflecting the company's unified visual style (corporate design).

FB report: Corporate profile management should be routine and conducted with respect to the target audience of the company. Posts on the wall should meet these requirements not only in terms of content (relevant information, images, communication), but also in terms of time (when fans are most active - not only on specific days but also hours). Time is also related to the frequency of contributions that should not be too low or too high. An important part of

the message is the interaction with fans - answering questions, responding to comments, etc. Communication should always be decent and should be conducted by a trained person, not only with knowledge from the company but also from the Facebook environment.

YOUTUBE

YouTube is the name of the world´s largest video sharing website. The growth of YouTube can be largely attributed to the changes in media environment brought about by advanced technologies in Internet and digital devices. (YouTube Study Club, Become a Star with Content and Make a Profit from Advertising YouTube, 2015)

YouTube stands at the centre of those changes, promoting a mutually development relationship between users who enjoy videos, creators, who make those videos, and advertisers. It is through this relationship that YouTube provides a YouTube partnership opportunity in which anybody can make profit by allowing advertisements on the video that they created and uploaded on the YouTube site. In this first chapter, we will discuss the YouTube environment, and how YouTube is structured. (YouTube Study Club, Become a Star with Content and Make a Profit from Advertising YouTube, 2015)

The number of videos and users on the site continues to grow, which is great for businesses looking to take advantage of the opportunity. Not surprisingly, it appears that YouTube is replacing traditional television viewing for many users. According to Google, an average YouTube viewer spends 164 minutes on-line every day; in contrast, viewers spend just 130 minutes per day watching traditional television. YouTube´s viewers come from all ages and demographic groups. These viewers are active viewers. Yes, most people still watch YouTube on their computers, but that´s changing. More and more users watch YouTube on their mobile phones while they´re on the go; the YouTube app is one of the most popular applications for the iPhone. And an increasing number of people are watching YouTube in their living rooms, as an increasing number of flat screen TVs and Blu-ray players come with Internet connectivity – and a YouTube widget – built in. (Miller, 2011)

Redbull – example: Because Red Bull is an energy drink, their marketing centre around promoting an active lifestyle that is full of well, energy. Their YouTube channel has over 4 million subscribers and reached a billion total video views in 6 years. Their most popular videos are full of athletes, daredevils, and other risk takers doing awesome things, such as climbing frozen Niagara Falls, building a wooden bike from scratch, and driving a race car on ice. [56]

Playstation – example: Adweek named Sony's Playstation YouTube channel as one of the 10 best brand channels, so it's a no brainer that there is a lot of wisdom any company can learn from its almost 3,500 videos. One thing that Playstation does consistently is include its logo in the left hand corner of its content, reinforcing its company branding and reminding users who created the video.[57]

TWITTER

Twitter is a form of "microblogging" – that is, the use of very short messages that are limited in size by the system itself. A user who has signed up with Twitter can post and receive

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[56] Smallbiztrends: 6 Companies Killing It on YouTube – What You Can Learn [online] [cit. 29th August 2017] Available at: https://smallbiztrends.com/2015/02/successful-advertising-campaigns-youtube.html
[57] Smallbiztrends: 6 Companies Killing It on YouTube – What You Can Learn [online] [cit. 29th August 2017] Available at: https://smallbiztrends.com/2015/02/successful-advertising-campaigns-youtube.html

messages to an entire network of contacts. Messages are limited to 140 characters. They are intended to be brief status updates or a way to organize a gathering or conduct a group conversation. Twitter posts – known as "tweets" – are text only. However, users can easily post pictures along with their tweets through the "twitpic" feature. They can also include links to other contents in their tweets. As with MySpace and Faceebok, users can also choose to receive messages from people in their network, or block them if they become excessive or annoying. (Lusted, 2011, p. 8-9)

Twitter has the potential to filter into every possible aspect of business as a versatile communications platform and problem – solving tool. It has uses way beyond the marketing and customer – engagement layer. Twitter can affect pretty much everything, from the way enterprise software works to how project status is shared. It can fundamentally change communication and problem – solving, as well as match resources, accommodate human – resources challenges, and lower expenses. (U. S. Chamber of commerce, 2016, p. 303-319)

Twitter can have powerful effects on personal and professional networks. Sales professionals can use it to generate leads, journalists can locate sources, publishers can discover new content, and any business can create better relationships with customers. You can list to and harness the massive flow of ideas and information passing through Twitter so that you can advance your business objectives. (U. S. Chamber of commerce, 2016, p. 303-319)

You can use Twitter to create ad-hoc communities, organize and publicize live events, or extend an experience to a remote audience. You can sell directly – if you do it right – or you can just develop an inexpensive listening and conversation post among the very people whose problem your business solves. You can use Twitter to generate traffic to your business´s website. You can use it to solicit feedback. It can even make your company and brand easier for users to find on search engines such as Google. (U. S. Chamber of commerce, 2016, p. 303-319)

The Ellen Show´s Oscar selfie – example: Samsung may have pulled off the most remarkable Twitter marketing stunt of all time. During the 2014 Academy Awards, host Ellen DeGeneres was running around the event with her Samsung smartphone, taking hilarious selfies (a self-portrait photograph taken with a smartphone or digital camera) as she navigated the televised evet. The reason DeGeneres was doing this was not for comedic relief alone but also because Samsung had sponsored the entire event and needed a representative. The Oscars hashtag already had a significant amount of user-generated buzz coming from the live television event, but Samsung wanted to make it epic.

Samsung gave DeGeneres a Galaxy Note 3, which she connected to twitter´s mobile app. She then proceeded to run into the celebrity audience and announce that she was attempting to break the record for most retweeted tweets ever while being on live television. Until that point, the winner was last President Barack Obama´s "Four more years" tweet with more than 770 000 retweets. Gathering stars such as Bradley Cooper, Jennifer Lawrence, Meryl Streep, Julia Roberts, Brad Pitt, Angelina Jolie and Kevin Spacey, DeGeneres took a selfie that will go down in the history books with more than 3.4 million retweets, this tweet will be a difficult one to surpass. (U. S. Chamber of commerce, 2016, p. 303-319)

INSTAGRAM

Instagram is a social network based on photos, not words. Although Instagram allows hashtags, likes, and comments, you won´t see text-heavy updates or link sharing. Instead, both individuals and brand alike let their photographs do the talking. In fact, many people prefer Instagram to other social platforms because there´s less chatter.

Instagram gives companies an opportunity to show their brand´s creative side and think outside of the proverbial box. Instead of attracting people with viral videos or discount codes, they´re using colour and light. (U. S. Chamber of commerce, 2016, p. 349-350)

It´s true that you can snap a photo of just about anything, apply a funky ´70s retro faded scratched film filter to it, and suddenly it´s "art". A lot of otherwise boring photos have been made "interesting" by virtue of lens flare, faded colours, torn edges, and grain. However – and here´s the cool part – if you actually take a good photo to begin with and then add funk to it, you can end up with something truly remarkable. (Linaschke, 2011)

Adidas Originals – example: Adidas cemented their position as a key fashion figure in the hip-hop industry with their latest Instagram campaign. Using the hashtag #ORIGINALis, Adidas partnered with big names like Snoop Dogg, Desiigner, and Stormzy to highlight and promote their Originals lineup. Though Adidas has different product lines for different sports, like football and basketball, Adidas uses the video with Snoop Dogg, Desiigner, and Stormzy to build their Originals brand as a totem of hip-hop culture. Partnering with influential figures in the hip-hop world helps Adidas establish additional credibility and the videos it has created for this campaign are intriguing and engaging.[58]

Amazon – example: Amazon ran an Instagram marketing campaign to thank their users and fans for rating them #1 in corporate reputation. The ecommerce giant posted a simple image showing their top-notch reputation ranking with a caption telling customers about a new discount they created in celebration of their big win. This campaign, first and foremost, is great because it's a discount. It can be difficult to reliably turn Instagram engagement into sales, but providing followers with a discount code or linking to a promotional pricing page is one of the best ways to do it.[59]

LINKED-IN

LinkedIn is a place where Relationships Matter (the LindekIn slogan). It was developed primarily for professional networking. When we look at its mission statement, LinkedIn´s goal "is to help us be more effective in our daily work and open doors to opportunities using the professional relationships we already have". This is not a website that requires a lot of constant work to be effective. It´s designed to work in the background and help us reach out to whomever we need while learning and growing ourselves. The key is to set up our on-line identity, build our network, and steadily take advantage of the opportunities that most affect us or greatly interest us. (Elad, 2016)

Internet tools have advanced to the point where on-line communications within your network is much more automated and accessible. Sites such as LinkedIn have started to replace the older ways of accessing your social network. For example, instead of asking your friend Michael to call his friend Eric to see whether Eric´s friend has a job available, you can use LinkedIn to see whether Eric´s friend works for a company you want to contact, and you can then use LinkedIn to send a message through Michael to Eric to accomplish the same task. (Elad, 2016)

Thus, LinkedIn is known generically as s site where job seekers can post their resumes, but in actuality, it´s much, much more:

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[58] Wordstream: The 15 Best Instagram Marketing Campaigns of 2017 [online] [cit. 29th August 2017] Available at: http://www.wordstream.com/blog/ws/2017/03/24/best-instagram-marketing-campaigns
[59] Wordstream: The 15 Best Instagram Marketing Campaigns of 2017 [online] [cit. 29th August 2017] Available at: http://www.wordstream.com/blog/ws/2017/03/24/best-instagram-marketing-campaigns

- It´s a place where businesses can sell their products.
- It´s a place where services can pick up new clients.
- As of 2016, it aggregates over 77 % of all jobs in America.
- Its population of 400 million (adding two new members per second) would make it the fourth largest country on the planet.
- It´s place where brand builders of all stripes can build up their brands – whether the brand is indeed a business offering a product or service, or just you yourself, complete with whatever talents you stand to offer to hiring parties. (Nash, 2016, p. 1-2)

Knowledge Quiz SAP – example: Principle and motivation: Test your knowledge about SAP on-line, targeting managers and finance consultants. The application generates a SAP level certificate that the user can place on the profile. A quiz entry condition is to become a follower of the application's company profile. Goal: 100 application users in 2.5 months. Tools: Manage Company Profile and Directly Address Potential Clients to Inbox, PPC. Results: 102 users managed to manage profile and write to potential users inbox. PPC was totally ineffective. The ad had more than 82,000 impressions but generated only 152 clicks, 82 users clicked on the application pre-tab in the Products section. And they only got 15 real followers. The next step is to set up a group: SAP Education at LinkedIn. (Náplavová, 2014, p. 150-151)

10 ALTERNATIVE FORMS OF MARKETING COMMUNICATIONS IN DIGITAL ERA

Alternative media, also known as ambient, emerging, new or non-traditional media, is defined as creative, shocking, or surprising advertising that appears on unconventional surfaces that categories of broadcast, print, or out-of-home. The term "alternative media" refers to the fact that creative teams are no longer tied to a limited palette of surfaces that are considered static or passive like traditionally delivered print and broadcast vehicles. The traditional media categories, however, can have added or alternative properties. Broadcast media, for example, can incorporate web addresses, QR codes, or social media, print can also incorporate the web, QR codes, augmented reality, or social media into the design, while out-of-home may employ mobile or digital as well as project three-dimensional images, to name just a few. This unique partnership between traditional and alternative vehicles injects a new level of creativity into traditional vehicles never seen before that includes engagement, surprise, and interactive options. The ambient media represent the use of, for example, Pump-Top TV, ATM machines, street and sidewalk graphics and stickers, exercise equipment, coffee cups, shopping bags, grocery cart advertising, parking meter advertising, sky promotions and so on. (Blakeman, 2015, p. 281)

The more notable salvations associated with ambient media include: (Blakeman, 2015, p. 292)

- **Exposure.** Many alternative media vehicles are a part of the target´s daily landscape when she travels to and from work or shops, while smaller or more personalized vehicles deliver messages that the target has opted in to receive.
- **Engaging.** The attention-grabbing creativity creates viral and word-of-mouth opportunities as consumers share the experience with others on social media, blogs, e-mail, or phone.
- **Interactive.** Many alternative options can get the product directly into the hands of the consumer, creating a one-on-one dialogue between buyer and seller.
- **Nonintrusive.** Since many alternative media options are permission based or the consumer chooses to opt in to receive advertising material, it is rarely considered intrusive.
- **Distinctive.** The unexpected use of varied surfaces, shapes, and sizes can give and advertised message fresh appeal.
- **Creative.** Because of the different surfaces and shapes ambient media can exploit, it makes attracting attention easier and because of that is often more memorable.
- **Niche markets.** Brand-loyal consumers can give feedback on product performance or updates, making them feel a part of the brand´s success.

The more notable deterrents associated with ambient media include: (Blakeman, 2015, p. 292- 293)

- **Clutter.** Consumers see thousands of messages every day, so unless the creative is spectacular or unique, it can blend into its surroundings and be missed.
- **Ethics.** Many question the ethics behind some forms of ambient media techniques such as guerrilla marketing, considering them so covert that consumers do not always realize they are being exposed to advertisements or promotions.
- **Value.** Since many media options ad events are often temporary, it is only effective if it is noticed, it is talked about, and or the target opts in to receive the message.
- **Duration.** Buzz lasts only as long as consumers are talking about the product.

- **Mass reach.** When used as a reminder vehicle, most are better at reaching a mass audience, eliminating interactive and relationship-building opportunities.
- **ROI.** For many vehicles there is no way to determine whether vehicles were seen or acted upon.

10.1 GUERRILLA MARKETING

Guerrilla marketing is an advertising strategy in which low-cost unconventional means (graffiti, sticker bombing, flash mobs) are utilized, often in a localized fashion or large network of individual cells, to convey or promote a product or an idea. The term guerrilla marketing is easily traced to guerrilla warfare which utilizes atypical tactics to achieve a goal in a competitive and unforgiving environment.

The concept of guerrilla marketing was invented as an unconventional system of promotions that relies on time, energy and imagination rather than a big marketing budget. Typically, guerrilla marketing campaigns are unexpected and unconventional, potentially interactive, and consumers are targeted in unexpected places.

The objective of guerrilla marketing is to create a unique, engaging and thought-provoking concept to generate buzz, and consequently turn viral. The term was coined and defined by Jay Conrad Levinson in his book Guerrilla Marketing. The term has since entered the popular vocabulary and marketing textbooks.

Guerrilla marketing involves unusual approaches such as intercept encounters in public places, street giveaways of products, PR stunts, or any unconventional marketing intended to get maximum results from minimal resources. More innovative approaches to Guerrilla marketing now utilize mobile digital technologies to engage the consumer and create a memorable brand experience.

Guerrilla marketing focuses on low cost creative strategies of marketing. Basic requirements are time, energy, and imagination and not money. Profits, not sales, are the primary measure of success. Emphasis is on retaining existing customers then acquiring new ones. (Matušínská and Stoklasa, 2013)

The best known and most widely used definition is the definition by Jay Conrad Levinson (2011, p. 6): guerrilla marketing is an unconventional marketing campaign designed to achieve maximum effect with minimum resources. As a main principle Levinson argues that the biggest investment is not money, but time, energy and imagination. In practice, this means that the ultimate cost of the campaign is the time spent on the idea how to impress or attract customers. Therefore, we can say that guerrilla marketing is not about money, but about the idea.

The tactics of guerrilla marketing include (Frey, 2008, p. 48):

- Strike at unexpected place.
- Focus on exactly-selected targets.
- Immediately pull back.

Guerrilla marketing also allows through its techniques to get side attention, cause panic or stir up the public. Its essential feature is its low costs and balancing on the edge of legality. The message of the GM campaign by Patalas (2009, p. 68) should:

- Clearly indicate who is the broadcaster.
- Include a statement, i.e. inform about the specific benefits.
- Be understandable.
- Entertain.
- Have a direct connection with the offer of products or services.

- Respect the ethical, cultural and religious values and match the performance capabilities of the company.
- Correspond to the target audience.
- Be credible.

SELECTED FORMS OF GUERRILLA MARKETING

During the rapid development of GM, several forms have appeared that are different from each other but still retain the original idea of GM. The most interesting and usable are described below.

Ambient marketing uses to promote a company so-called ambient media, which are everyday objects from around the consumer used in a new and interesting way to communicate a message. It aims to promote products in an unconventional way, in order to shock and attract the immediate attention of a random person, the potential consumer. The target group is mainly the younger age groups, which are more likely to spread the advertising message further among their peers. Therefore, it occurs most often in discos, bars, toilets, universities, theatres, etc. The basic ingredients of this format include humour and fun. (Patalas, 2009)

Ambush marketing is a form of communication utilizing mass social events and actions to parasitize on competition. One firm is the main sponsor of the event and spends hundreds of millions of crowns on the promotion, the competitive company is trying to promote its name for the same event without paying any sponsorship fees. Most often we meet with this form of marketing for major events that attract millions of people from all over the world such as the World Championships or Olympic Games. (Patalas, 2009)

Astroturfing is marketing, respectively PR activity, which aims to persuade opinion leaders about public attitudes to a particular topic, so for example, the editors of periodicals inundate letters and emails from "readers", which are in actuality written by only a few PR experts who create fictitious names and accounts. The concept of astroturfing, referred to as the guerrilla PR, originated from the name of artificial turf, which is used in sports arenas and gives the impression of a real thick grass. Astroturfing specialists are also trying to promote services, products, etc., by means of commercial communication, posing as a natural response of customers - positive or negative customer comments in the discussion forums, false assessment in web surveys, etc., and thus influence the opinion of ordinary readers.

Buzzmarketing attracts the attention of consumers and the media to such an extent that speaking and writing about your brand or company becomes entertaining, fascinating and interesting topic for the media and consumers. The aim of buzzmarketing is to cause a stir among the people and the discussion about the product. The subjects of spreading of the information are media and people who discuss this product, promote it, and dispute its authenticity. This form of marketing by word of mouth is successful because of the credibility and unforced attempt to manipulate, as is often the case of advertising. (Hughes, 2006, p. 12)

Mosquito marketing is GM performed purely by small firms, which are with all the marketing tools trying to be annoying for large firms (as annoying as mosquito).

Sensation marketing is a form of GM, which is trying to create a sensation for the customers. It tries to use crazy resources (broken car in the middle of a busy road, appointed crowd of demonstrators, etc.) to produce a large media response and subsequent

acknowledgment that the event was recorded and it is to promote a particular product or company.

Undercover marketing is a hidden form of marketing in which the information recipient may not recognize that this is a promotion and it influenced him. The carriers of advertising are mostly celebrities paid to use the product in public. The customer is affected by this and spreads the information to his friends, because this form is natural for him and sees it as a fact. Most important thing is, however, that this marketing action remains undetected. If this happens, companies usually face a negative advertising because of the feeling of deception and manipulation of the consumer. (Patalas, 2009)

Wild posting is characterized by the placement of a large number of posters at a single concreting place, which aims to attract maximum attention. Wild posting is a relatively inexpensive form of guerrilla marketing. (Rajčák, 2013)

10.2 VIRAL MARKETING

Viral marketing, viral advertising, or marketing buzz are buzzwords referring to marketing techniques that use pre-existing social networks to produce increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating viral processes, analogous to the spread of viruses or computer viruses. It can be delivered by word of mouth or enhanced by the network effects of the Internet. Viral marketing may take the form of video clips, interactive Flash games, advergames, ebooks, brandable software, images, or text messages.

The ultimate goal of marketers interested in creating successful viral marketing programs is to create viral messages that appeal to individuals with high social networking potential (SNP) and that have a high probability of being presented and spread by these individuals and their competitors in their communications with others in a short period of time.

The term "viral marketing" has also been used pejoratively to refer to stealth marketing campaigns—the unscrupulous use of astroturfing online combined with undermarket advertising in shopping centers to create the impression of spontaneous word of mouth enthusiasm.

Advantages of viral marketing are low costs, quick spread of information, high efficiency of targeting. And on the other hand, there is a crucial disadvantage such as loss of information control which are spread among people. (Matušínská and Stoklasa, 2012)

For a campaign to be successful, it must take into account the following three aspects:

- **Viral message** needs to be based on the novel idea with great creative potential. But it also depends on the design and choosing the appropriate format (text, audio, video, etc.).
- **Vaccination:** the choice of media, but also target people who are susceptible to the viral behaviour.
- **Monitoring:** the evaluation of the effectiveness of the action.

The principle of viral marketing is therefore interesting content of the message that the recipient does not perceive as commercial. The centrepiece is the story or point that must be interesting enough to provoke an emotion, to persuade to the viral spread. One of the points of possible success is the uniqueness of the viral element because such communication is much more memorable. Companies often make the mistake that it is not possible to find the connection between the content of communication and subject (company), this leads to

misunderstanding and people don't connect the viral communication with the company. Other important factor is the timing that can guarantee success, but also failure. (Janouch, 2010)

Viral marketing techniques include:

- **Forwarding:** to spread the message we use e-mail/SMS/social networks.
- **Email - Challenge:** E-mail contains a link to the page with the option of sending a message to a friend.
- **Call on the Web:** a challenge to create an e-mail is directly part of the presentation.
- **Viral web-link:** placing a link to an interesting article or discussion.

The main reason why companies resort to the viral marketing are primarily low cost (just the initial momentum and further distribution is already underway between people), rapid dissemination of information and high efficiency among young people. Risk of viral marketing is mainly in the fact that after the start of the campaign, the marketer has no control over how the viral message spreads farther.

10.3 PRODUCT PLACEMENT

Product placement is a form of advertisement, where branded goods or services are placed in a context usually devoid of ads, such as movies, music videos, the story line of television shows, or news programs. Quality product placement puts the product in a positive context and shows that the use of a product is a normal part of life of the hero of the film. Although in our film distribution product placement picks up slowly, we expect the significant development of a stronger interconnection with other promotional activities. (Frey, 2008, p. 123)

Product placement has been applied for decades in the foreign film industry. It was first implemented with greater success in the film ET the Extra-Terrestrial, where the main character (alien) promoted candies Reese's, which sales increased by 65 % after the film was aired. For some industries, product placement is particularly successful, such as the automotive industry (film series with an agent James Bond - Aston Martin, BMW, and Ford), the beverage industry (Coca Cola products in TV talent shows) and high-tech electronics (Apple products in many films and TV series, and newly competitive products with Microsoft's introduction of Windows 8). (Frey, 2011, p. 131)

10.4 GREEN MARKETING

Back in the 1960s, trying to lead an environmentally conscious lifestyle, and especially integrating green into one´s shopping, was a very fringe phenomenon. But it is now decidedly mainstream – and changing the rules of the marketing game in a very big way.

In a broader sense, green marketing refers to a specific type of marketing based on the principles of traditional marketing but with a focus on organic products. This concept also includes a whole range of ideas, methods, and processes to meet the goals of the business in the form of "green consumption" that leads the company to a spontaneous tendency to protect the environment and to efficiently use natural resources. (Jurášková and Horňák, 2012, p. 82)

Beyond making an environmentally friendly product, business owners can do other things as part of their green marketing efforts. The following can all be part of a green marketing strategy:

- Using eco-friendly paper and inks for print marketing materials.
- Skipping the printed materials altogether and option for electronic marketing.
- Having a recycling program and responsible waste disposal practices.

- Using eco-friendly product packaging.
- Using efficient packing and shipping methods.
- Using eco-friendly power sources.
- Taking steps to offset environmental impact.

Consumers who prefer to purchase green products even though they might be more expensive fall into the **"LOHAS" category.** LOHAS stands for Lifestyles of Health and Sustainability. LOHAS describes an integrated, rapidly growing market for goods and services that appeal to consumers whose sense of environmental and social responsibility influences their purchase decisions. These consumers are active supporters of environmental health and are the heaviest purchasers of green and socially responsible products. They also have the power to influence other consumers.

Ottman (2011) indicates the 20 new rules of Green marketing:

- **Green is mainstream.** Not too long ago, just a small group of deep green consumers existed. Today, 83 % of consumers - representing every generation from Baby boomers to Millennials and Generation Ys – are some shade of green. Moreover, there are now finely defined segments of green consumers.
- **Green is cool.** Once a faddish preoccupation of fringe, green is not only mainstream, it is chic. In fact, green consumers are early adopters and leaders who influence purchasing behaviour.
- **Green inspires innovative products and services that can result in better consumer value, enhanced brands, and stronger company.** Savvy managers no longer consider the environment to be a burden that represents added cost and overhead – but an investment that can pay back handsomely.
- **Values guide consumers purchasing. Historically, consumers bought solely on price, performance, and convenience.** But today, how products are sourced, manufactured, packaged, disposed of – and even such social aspects as how factory and farm workers are treated – all matter.
- **A life-cycle approach is necessary.** Single attributes such as recyclable, organic, or energy-efficient matter greatly, but do not mean a product is green overall. Recycled products still create waste, organic strawberries can travel thousand miles, and CFLs contain mercury. So a more thorough, life-cycle or carbon-based approach to greening is necessary.
- **Manufacturer and retailer reputation count now more than ever.** Consumers are now flipping over packages, saying, "Who makes this brand? Did they produce this products with high environmental and social standards?"
- **Save me!** Even the greenest consumers no longer buy products just to save the planet. Today´s consumers buy greener brands to help protect their health, save money or because they simply work better.
- **Businesses are their philosophies.** It used to be that companies were what they made. International Business Machines. General Foods. General Motors. Now, businesses and brands are what they stand for. Method. Starbucks. Timberland.
- **Sustainability represents an important consumer need, and is now and integral aspect of product quality.** Green is no longer simply a market position. Products need to be green. Brands need to be socially responsible. Period.

- **The greenest products represent new concepts with business models with significantly less impact.** If we simply greening up the same old products we have been using forever, we are never going to get to sustainability. We should adopt new ways of doing business.
- **Consumers do not necessarily need to own products, service can meet their needs, perhaps even better.** Consumers historically met their needs by owning products, but concepts like e-books are starting prove that utility and service are what really matters.
- **The brands consumers buy and trusty today educate and engage them in meaningful conversation through a variety of media, especially via websites and online social networks.**
- **Green consumers are strongly influenced by the recommendations of friends and family, and trusted third parties.** With rampant cynicism about traditional forms of advertising and backlash in place against perceived greenwashing, savvy marketers leverage purchase influencers and third parties like NGOs and especially eco-labelers.
- **Green consumers trust brands that tell all.** Today´s brands become trusted by practicing "radical transparency", disclosing the good – and the bad.
- **Green consumers do not expect perfection.** Consumers expect that the company will set high goals, keep improving, and report on progress.
- **Environmentalists are no longer enemy.** Recognizing the power of the marketplace to effect change, many environmental advocates willingly partner with industry, offering useful guidance and expertise.
- **Nearly everyone is a corporate stakeholder.** No longer confined to just customers, employees, and investors, publics of stripes are now corporate stakeholders: educators, environmentalists, and children – even the unborn.
- **Authenticity.** Brands viewed as the most genuine integrate relevant sustainability benefits into their products. That is why HBSC or Stonyfield Farm aim to reduce carbon impacts of their operations.
- **Keep it simple.** Today´s consumers are cutting out the needless purchase, and getting rid of the gadgets and gizmos that do not add value to their lives.

In the context of Green Marketing, the concept of **Greenwashing** appears in marketing practice. Green washing means forms of marketing communications in which "green public relations" or "green marketing campaign" is misleadingly used to create the impression that the company combines its activities with activities that have a positive impact on the environment. In reality, this company spends more money on "green" advertising than on realistic eco-friendly access to the environment. Greenwashing efforts can already be applied by changing the product´s name or package that evokes the natural environment, but contains harmful chemicals, to the preparation of campaigns that emphasize the socially responsible and ecological behaviour of companies that damage the environment enormously by their production. (Rajčák, 2013) If consumers want to be certain they are indeed buying a green product, they should look for official certifications listed on the product packaging.

10.5 EXPERIENTIAL MARKETING

It can also be also named as customer experience marketing. Experiential marketing connects consumers with a product or brand thanks to their personal experience. The advantage is that it gives consumers space to try their products before buying it. Experiential marketing becomes a marketing method that is built on current customer experience with products or

services. This fact helps not only to increase the sales but also to build a positive brand image. (Jurášková and Horňák, 2012, p. 72)

According to Smilansky (2009) experiential marketing is the process of identifying and satisfying customer needs and aspirations profitably, engaging them through two-way communications that bring brand personalities to life and add value to the target audience:

- Experiential marketing is an integrated methodology, always engaging target audiences at their will through brand-relevant communications that add value.

- The experiential campaign is built around one big idea that should involve two-way communication between the brand and the target audience in real time, therefore featuring live brand experience at its core.

- The other marketing communications channels that are selected and integrated are the amplification channels, which amplify the impact of the big idea (the live brand experience – digital, PR, advertising, live broadcasting – TV, radio, online).

Experiential marketing also offers a new approach to branding. The traditional approach to branding treats a brand as a static identifier of a company´s products through the use of names, logos, and ad slogans. This service as an identifier – **Brand = ID** – is indeed a core function of a brand. But brands are not just identifiers. Brands are first and foremost providers of experiences. As a result, the ubiquitous logo-blasting approach to identify the product and to gain mass attention is often inappropriate. In today´s world, it is not enough to plaster brand name on dozens of products and line extensions. It is not enough to roll out merchandise from T-shirts and toys to pins and key chains and so on. They need to relate the brand to something the consumer cares about, thus incorporating it into the consumer´s daily life. As shown in table below, this requires the use of all communication elements and of events and contacts to provide an integrated holistic experience: **Brand = EX.** (Schmitt, 2000)

Table 10-1: Two approaches to branding

BRAND = ID	BRAND = EX
Brands as identifiers Names, logos, and ads Awareness and image before purchase	Brands as experience providers Names, logos, ads as well as events, sponsorships and other customer contacts Experiences during purchase and consumption

Source: adjusted according to Schmitt (2000)

The term "experiential marketing" is commonly linked with **engagement marketing.** It is a marketing strategy that focuses directly on consumers and encourages them to participate in brand development. The philosophy of engaged marketing is based on transparency, interactivity and active collaboration with the target audience. (Rajčák, 2013) And today, it's on marketers to become stewards of the customer journey, and to build bonds with customers wherever they are — whether that means engaging on social media, presenting a unified experience across devices, or personalizing content and communications.

10.6 CONTENT MARKETING

Content marketing is the process of using different types of content, such as commentary, reports, blogs, videos, slides, and methodologies in different formats, either to build the brand or to attract, acquire, or engage target audiences. Content marketing is often described as pull marketing – the opposite of push marketing. It is based on the principle that buyers will ultimately reward companies for sharing relevant content with them in a timely and accurate way without interruption or annoyance and with their permission. Engagement of the target audience is usually the first stage of the process of content marketing. The sharing and endorsing of content within an organization´s own networks is a further advantage. The ultimate stage of the process is if the target becomes a lead as a result of engagement with the content. (Doyle, 2016, p. 1333-134)

According to U.S. Chamber of Commerce (2016) content marketing encompasses all forms of content that add value to consumers, thereby directly or indirectly promoting a business, brand, products, or services. Content marketing occurs both online and offline, but the free and simple tools of the social Web have opened up the ability for companies of all sizes to compete alongside one another, not for market share but for voice and influence. Today, content marketing focuses on creating content that is meaningful and useful to consumers with promotion taking a backseat to adding value, particularly adding value to the online conversation happening across the social Web.

Content marketing includes the creation of a content management system, or hubs, and related platforms on which to create, store, format, and distribute content for general and specific audiences. Companies which create useful and entertaining content that is indirectly related to their core product or service but which serves to embellish it, which is free of direct commercial promotion, and which can enhance the audience experience and create greater customer engagement and relationships, will ultimately enhance their brand. (Doyle, 2016, p. 133-134)

Content marketing can be used by small organizations and large companies. With so many different tactics, businesses of all sizes can tailor a mix that works for their product, their audience and the resources they have available. For example, creating high-quality blog content is an excellent way to provide resources for audience and make them more intelligent. But just publishing the post on website won't get the ROI company is looking for. That content can featured in a monthly newsletter, promoted on social media pages, or perhaps be repurposed into an infographic to be more visual and encourage more social shares.

Content marketing comes in three basic forms – long-form, short-form, and conversations. The forms of content marketing are constantly changing as new tools to create, publish and share that content are launched and others are shut down. Enhancements and new functionality are added to content publishing tools every day, which means the tools company is using to create, publish, and share content today might not be the tools company is using tomorrow. (U.S. Chamber of Commerce, 2016, p. 238-245)

Long-form content marketing includes all published content that is longer than a few sentences and that offers deep value, such as blog posts, articles, ebooks, press releases, white papers, presentations, videos, podcasts, webinars, and so on.

Short-form content marketing includes all published content with no more than a few sentences and that communicates useful information, such as Twitter updates, Facebook updates, LinkedIn updates, images, and so on.

Conversations and sharing content marketing can happen through conversations about published content ad through the sharing of published content, such as blog comments, forum comments, Twitter updates, link sharing via social bookmarking, comments on videos and images, and so on.

Research shows that prior to making a purchase, consumers conduct the majority of their research online. They read reviews from experts and everyday consumers. They search for comparison-shopping sites, and they publish question on forums, blogs, social networking profiles, Twitter, and more. Consumers can learn about products and services and decide on which purchase is best for them in the privacy of their homes, either anonymously or otherwise. It is entirely up to each individual. Within seconds, consumers can find honest opinions through simple searches and by participating in conversations. (U.S. Chamber of Commerce, 2016, p. 238-245)

10.7 AFFILIATE MARKETING

Affiliate marketing is a type of performance-based marketing in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate´s own marketing efforts. The industry has four core players: the merchant (also known as "retailer" or "brand"), the network (that contains offers for the affiliate to choose from and also takes care of the payments), the publisher (also known as 'the affiliate'), and the customer. The market has grown in complexity, resulting in the emergence of a secondary tier of players, including affiliate management agencies, super-affiliates and specialized third party vendors.

The original form of affiliate marketing was selling through clubs, associations and networks, whether online or offline. Members within networks, clubs or associations tend to trust relevant offers from within the group. For example, an insurance company might ask a football club to encourage its members to buy its credit card. Each time a football fan buys a card, the club gets a commission and the member gets a discount or a gift instead. (Smith and Zook, 2012, p. 275)

Affiliate marketing extends the reach of a brand´s sales potential through a form of multi-level marketing online (see Figure 10-1). **Affiliates generate sales on a commission-only basis** (commission range from 5 per cent to 30 per cent). Affiliate partners usually have access to specific communities or target markets. The affiliates basically refer visitors to the brand´s website, and every time the referred visitors buy the brand the affiliate gets paid a commission. The affiliates use banners ads (usually supplied by the brand). E-mail and PPC ad campaigns. (Smith and Zook, 2012, p. 275)

Figure 10-1: The principle of affiliate marketing

Source: Full service digital company Starmedia [online]. [cit. 7th August 2017]. Available at: https://www.starkmedia.com/blog/why-you-should-offer-an-affiliate-marketing-program/

Some brands like to have their own affiliate networks (for example the company Amazon), it could be called as **In-house affiliate programmes.** Many major brands list their affiliate programmes on their websites under "Affiliate programme" or "Partner programme", which gives a full explanation of how it works, including log-in, commission payments and so on. On the other hand **Affiliate network programme** is a collection of companies that have affiliate programmes but are managed by one company. A lot of companies want to affiliate programmes but they do not want to manage them (commissions, payments and queries), which can be costly in terms of time, money and systems. (Smith and Zook, 2012, p. 276)

The relatively risk-free concept is straightforward: (Smith and Zook, 2012, p. 275 - 276)

- Affiliate networks generate traffic to the client´s website via banner ads, PPC and e-mail.
- Affiliate networks track this traffic closely (via tracking codes) and supply reports.
- Commission is paid against whatever the agreed goals are: traffic, leads or enquiries, or actual sales. If sales conversions are the goal and no sales are generated then no commission is paid.
- The only investment a marketer needs is 1) the copy about the company or products to attract affiliates and 2) the banner adverts for affiliates to use on their sites.

Affiliate marketing is frequently overlooked by advertisers. While search engines, e-mail, and website syndication capture much of the attention of online retailers, affiliate marketing carries a much lower profile. Still, affiliates continue to play a significant role in e-retailers' marketing strategies. In today ´s fast-paced, electronic world, affiliate marketing is a great tool for business.

10.8 CASE STUDIES OF SELECTED ALTERNATIVE FORMS IN MARKETING COMMUNICATIONS

The new trends as guerrilla marketing, viral marketing[60], product placement[61], green marketing[62], green washing[63], experiential marketing[64,65], content marketing[66], affiliate marketing were used to show some examples from practice.

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[60] Viral marketing case studies teach sharing skills. [online]. [cit. 21st May 2014]. Available at: http://barnraisersllc.com/2012/10/6-viral-social-media-case-studies-marketers-listen/

[61] Product placement as an effective marketing strategy. [online]. [cit. 21st May 2014]. Available at: http://research-methodology.net/product-placement-and-brand-placement/

[62] ibrandstudio [online]. [cit. 16th August 2017]. Available at: http://ibrandstudio.com/articles/starbucks-green-marketing-campaign

[63] Businesspundit [online]. [cit. 16th August 2017]. Available at: http://www.businesspundit.com/the-top-25-greenwashed-products-in-america/

[64] Marketing [online]. [cit.16th August 2017]. Available at: https://blog.hubspot.com/marketing/best-experiential-marketing-campaigns

[65] Econsultancy [online]. [cit.16th August 2017]. Available at: https://econsultancy.com/blog/66908-10-inspiring-experiential-marketing-examples

[66] Sales force blog [online]. [cit. 17th August 2017]. Available at: https://www.salesforce.com/blog/2015/12/30-genius-content-marketing-examples-2015.html

10.8.1 GUERRILLA MARKETING

AXE: Axe Body Spray uses custom stickers attached to the classic "exit man" signs that are so commonplace in establishments everywhere. The added stickers create a story about the familiar exit man – and to think all this time we thought he was escaping from a fire![67]

TINDER: Tinder grew from 5,000 to 15,000 users by seeding college parties. Tinder's early marketing strategy is very elaborate (and controversial), but the basic idea is that they personally invited friends to download the app, then visited the best "party colleges" and got attractive, influential figures on board, and the app took off.[68]

UBER: In 2013, Uber partnered with Cheezburger and ASPCA for an Uber Kittens promotion, where Uber drivers delivered kittens to users in participating cities. These kittens were delivered to users who then had 15 minutes to play with the kittens. The best part? These kittens were also up for adoption. And Uber has already helped 30 kittens get adopted so far. A win-win for everyone around.[69]

UNICEF: UNICEF Finland needed a campaign to raise awareness for children's rights and their welfare but wanted to so with minimum expenditure. To provoke and create discussion, they placed 14 baby strollers across major cities in Finland that played the sound of a crying baby. They placed the following message inside each stroller: "Thank you for caring, we hope there is more people like you. UNICEF - Be a mom for a moment." The campaign generated a huge response; it was reported on all media channels and reached more than 80 % of the population within 2 days.[70]

FRONTLINE: Pet brand Frontline needed an affordable yet effective campaign to promote their range of de-ticking products. Agency Saatchi & Saatchi were behind this campaign which saw a typical image of a family dog sprawled across the floors of 3 of the business shopping centres in Indonesia. The idea was simple; we are made to associate busy shoppers walking across the 225 sq m image with those wretched fleas on our beloved pets. The memorable ad clearly illustrates the brand's message and product offering and in turn got more attention than any of the brand's previous pricey campaigns.[71]

IKEA: IKEA has been known for their creative and original marketing initiatives for some time now but their 2006 campaign "Everyday Fabulous" really stands out. The idea for the campaign was to improve the foundations of society by making everyday life that little bit better and more comfortable. IKEA toured the streets of Manhattan and Paris and used their products to decorate several settings such as windows on trains with curtains and bus stops with

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[67] Wordstream: 20+ Jaw-Dropping Guerrilla Marketing Examples. [online]. [cit. 26th August 2017]. Available at: http://www.wordstream.com/blog/ws/2014/09/22/guerrilla-marketing-examples

[68] Referralcandy: Guerrilla Marketing Tactics – 18 Top Case Studies and Examples (Updated!) [online]. [cit. 27st August 2017]. Available at: https://www.referralcandy.com/blog/guerrilla-marketing-tactics/

[69] Referralcandy: Guerrilla Marketing Tactics – 18 Top Case Studies and Examples (Updated!) [online]. [cit. 27st August 2017]. Available at: https://www.referralcandy.com/blog/guerrilla-marketing-tactics/

[70] Marketing-logic: 5 Fantastic Examples of Guerilla Marketing Campaigns [online]. [cit. 26th August 2017]. Available at: http://www.marketing-logic.com/marketing/5-fantastic-examples-of-guerilla-marketing-campaigns/

[71] Marketing-logic: 5 Fantastic Examples of Guerilla Marketing Campaigns [online]. [cit. 26th August 2017]. Available at: http://www.marketing-logic.com/marketing/5-fantastic-examples-of-guerilla-marketing-campaigns/

sofas and pillows. By placing their decorative items in plain sight across the city, IKEA cleverly increased their brand awareness.[72]

VOLKSWAGEN: In 2010, car giant Volkswagen created a campaign called 'Speed up your life' with the slogan 'What are you driven by?' to promote their brand. The strategy was to make every day mundane activities like taking public transport, speedier and more fun by creating a 'Fast Lane'. So what did they do? They turned the staircase at a subway station into a slide, an ordinary lift into a rocket ship and supermarket trolleys into skateboards. The innovative and entertaining campaign was certainly memorable with the ads going viral.[73]

10.8.2 VIRAL MARKETING

CHRISTIAN DIOR: As viral marketing has evolved, it has been integrated with mass marketing. In May 2012, Christian Dior released a YouTube video called 'Secret Garden – Versailles', supported on the brand's Facebook page, Twitter profile and magazine, DiorMag. to generate awareness for the Fall collection. A 'Making of' video issued 10 days later with similar social media support. The 1st video received 17,000,000+ views; the follow up video received 5,000,000+; social network enrollment experienced a huge increase; all for a marginal investment relative to traditional marketing.

FORD FIESTA: Selects 100 socially vibrant individuals who are provided with the European version of the Ford Fiesta 18 months prior to it being manufactured and released in the USA. These socially media aware fanatics are encouraged to share their experience with the Ford Fiesta over the 6 months on their Blogs, Twitter, Facebook, Flickr and YouTube channels. The effort generates 11,000,000 social media impressions; 11,000 videos uploaded, 13,000 photos posted and 50,000 "hand raisers" or "leads" who want more information; 97% did not currently own a Ford.

OLD SPICE: "The Man Your Man Could Smell Like" featuring Isaiah Mustafa attracted 19,000,000+ views to date across all platforms according to Visible Measures. Perhaps more interesting is the level of engagement demonstrated by the number of responses the video received within the first 24 hours compared to other historic videos.

TOYOTA: Toyota in the UK put together a social media marketing program that saw two bloggers attempting a 500-mile road trip in a Toyota iQ, all on a single tank of petrol. The trip would take the two drivers to 18 UK cities and every step of the journey would be shared through social media. It resulted in 64 blogs, including Wired, the New York Times and Treehugger reporting the attempt. Toyota reaching a potential audience of over 105 million readers worldwide. It reached a possible 3.7 million in the UK alone. Traffic to the Toyota iQ blog increased by more than 212 %.

EVIAN: Evian found great success with its Roller Babies campaign, which is the most-viewed viral advertisement of all time. The video consists of computer-animated babies doing a rollerskating routine to The Sugarhill Gang's "Rapper's Delight." The video has been viewed nearly 70 million times to date. The content of the video is only tangentially related to the Evian

[72] Marketing-logic: 5 Fantastic Examples of Guerilla Marketing Campaigns [online]. [cit. 26th August 2017]. Available at: http://www.marketing-logic.com/marketing/5-fantastic-examples-of-guerilla-marketing-campaigns/
[73] Marketing-logic: 5 Fantastic Examples of Guerilla Marketing Campaigns [online]. [cit. 26th August 2017]. Available at: http://www.marketing-logic.com/marketing/5-fantastic-examples-of-guerilla-marketing-campaigns/

brand. The babies perform their routine after a title card indicates that drinking Evian water would make you feel as young and energetic as those babies. This is one of the best viral marketing campaign examples because despite the video's massive popularity, Evian's sales actually dropped drastically. This illustrates the difference between a viral video and a successful ad campaign. Just because millions of people watched the Roller Babies video does not mean that those people proceeded to go out and buy bottled water. People are amused by the rollerskating babies but do not necessarily connect that imagery to the Evian brand. It is possible that the target audience for a video of animated babies is not the same demographic of people who would ever by Evian water under any circumstances. The footage of the babies was no more relevant to Evian than it would have been to any brand.[74]

VOLVO: Jean-Claude Van Damme's epic video doing the splits on two reversing Volvo trucks amazed everyone when it was released in 2013. Who'd have thought a truck video could secure over 76.4M views.[75]

PEPSI: A hilarious "Pepsi Max Test Drive Prank" to promote their 'zero calorie cola in disguise' by disguising Jeff Gordon and taking a poor unsuspecting car salesman on the test drive of his life. The video has over 43.3M views on YouTube and there have been various follow up videos.[76]

DOVE: It had a lot of travel in Spain. The campaign shows real women from different parts of the world like San Francisco, Shanghai, Delhi, London and Sao Paulo reflecting on their own attractiveness. What Dove did was to place signs with the adjectives of "normal" and "pretty" on the doors to stores and shopping centres in their cities. In order to enter, the women had to choose which door to enter, according to how they saw and considered themselves. And the protagonists explain their feelings when facing that decision and the reflection on how they perceive themselves. This campaign has a more defined insight, that is, a deep consumer motivation about the product. Dove gets with this message that people capture, internalize and understand, a revealed "truth". And all this is achieved with a very original experience.[77]

10.8.3 PRODUCT PLACEMENT

Aston Martin's marketing strategy has been closely associated with James Bond franchise films. It benefited the company's worldwide image enormously and this relationship is considered as one of the long-term successful business partnerships.

Product placement is a marketing strategy that has accidentally evolved a few decades ago. Nevertheless, the efficiency of the product placement has been spotted by professionals and since then various companies engage in product placement activities in various levels with varying efficiency. One of the main differences of product placement from other marketing strategies is the significance of factors contributing to it, such as context and environment

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[74] Rebelgrowth: The Best Viral Marketing Examples [online]. [cit. 25th August 2017]. Available at: http://rebelgrowth.com/viral-marketing-examples/
[75] Branded3: The top viral marketing campaigns of all time [online]. [cit. 25th August 2017]. Available at: https://www.branded3.com/blog/the-top-10-viral-marketing-campaigns-of-all-time/
[76] Branded3: The top viral marketing campaigns of all time [online]. [cit. 25th August 2017]. Available at: https://www.branded3.com/blog/the-top-10-viral-marketing-campaigns-of-all-time/
[77] Marketingcatalyzers: 5 Examples of Viral Marketing [online]. [cit. 25th August 2017]. Available at: https://www.marketingcatalyzers.com/magazine/en/2017/03/20/5-examples-of-viral-marketing/

within which the product is displayed or used. There are many examples of the product placement to be engaged in by other companies as well. Other companies also benefited from product placement, pointing to Reese's candies which were used in the movie "ET: The Extra-Terrestrial" and BMW AG Z3 roadster featured in 1996 Bond instalment "Golden Eye". Sometimes, even extra marketing measures are undertaken to link the product or brand being promoted with the movie it features in. For example, Fournier and Dolan (1999) inform that the appearance of BMWZ3 roadster in the James Bond instalment Golden Eye included also advertising in media, a Nieman Marcus catalogue offer and a press launch in Central Park.

Another cases of product placement:

- Domino's Pizza in Mutant Ninja Turtles;
- Nintendo Video Games and Mattel Inc.'s Power Glove in The Wizard;
- Chevrolet, Hardees, Coca-Cola and Exxon in Days of Thunder;
- GAP, Nokia and 28 other brands in Minority Report;
- Burger King and Coors Beer in Gremlins;
- McDonald's and Coca-Cola in Mac and Me;
- Toyota, Miller, Nike, AT&T, USA Today and Pizza Hut in Back to the Future II
- Ray-Bans and Seagrams Champagne in Top Gun;
- Sanyo, Wheaties and Nike in Rocky III;
- Miller Lite in Caddyshack II.

10.8.4 GREEN MARKETING

Many kinds of strategies adopted by **Starbucks** are quite unique and very beneficial to the preservation of the environment, not only interesting in terms of the product but also in terms of action to prove its seriousness in conducting the campaign, and here they are 5 Starbucks strategies:

- **Do modification in products**

The first thing done by Starbucks is doing modification in the product, taking into account a lot of cap waste that he will produce when the consumer has come out of his shop. Starbucks start to think to create a packaging that can be recycled easily. As said by Starbucks: "It's our commitment to purchase only the highest quality, ethically sourced and responsibly grown coffee. To reduce our own environmental footprint and fight climate change. And to give back to the neighborhoods and communities we're a part of".

- **Get opportunity in the earth day**

Earth day is an important day as a tangible manifestation of environmental conservation; Starbucks certainly not miss to participate in activities that are routinely performed in commemoration of earth day.

Starbucks inviting everyone to bring in a reusable mug or tumbler and get a free brewed coffee or tea. The customer choice of brew, hot or iced. This is happening at participating stores in the United States and Canada.

Starbucks Earth Day promotional campaign includes its green project, The Big Picture, where thousands of New Yorkers trade in their paper cups for reusable mugs. Each coffee cup placed on the sidewalk leads to the formation of a design. In the end, the large cup display forms an aerial mural of a sequoia tree.

To launch the campaign, Starbucks provided free coffee to customers who brought in their own reusable mugs.

The campaign's catch phrase "One person switching can save trees. Together we can save forests" shows how individual actions can lead to collaborative efforts to help the environment.

"Bring 10 used paper cups to get a coffee tumbler". This is the slogan for an environment protection campaign Starbucks Coffee Korea will host to mark Earth Day, which falls on certain day.

The company has stockpiled 1,000 tumblers for the event that will kick off at 11:30 a.m. at Seoul Plaza. During the event, it will also distribute 3,000 flower pots and compost made from coffee grounds.

- **Utilize Facebook for campaign**

Facebook is a social media that are complete enough to provide the necessary facilities to its users, it is not surprising that Starbucks chose to do green marketing campaign in Facebook, Starbucks actually not only choose Facebook account but there is also use a Twitter, Google Plus and Instagram. But most the activities can display that have been carried out by Starbucks is Facebook (see Figure 10-2).

Figure 10-2: Green marketing – facebook of Starbucks

Source: Facebook of Starbucks [online]. [cit. 16th August 2017]. Available at: *https://www.facebook.com/Starbucks*

10.8.5 GREENWASHING

Hotels: New York environmentalist Jay Westerveld first coined the term greenwashing after discovering some disingenuous hotel cost-cutting methods in 1986. The hotel industry had a common practice of placing green placards in each room to promote the reuse of towels. This would purportedly help the hotel save water and to consequently "save the environment." Westerveld found that despite their promises, little effort had been put toward recycling by these offending hotels.The trend is bigger than just towels. If you are an eco-tourist willing to pay for environmentally responsible accommodations, you may not be getting what you paid for. A recent independent study by TerraChoice Environmental Marketing found that 99% of all products and hotel services that are being labeled as "green" (by hotels themselves) do not live up to their claims. These so-called eco-hotels promise carbon-neutral practices and investment in carbon offsets. In reality, they only offset a fraction of their overall energy usage. Most hotels are looking for easy, inexpensive ways to add some green cred to their name, but do not pass that savings on to their guests, or reinvest in advancing their green practices often enough.

Soft drinks: Soft drink production uses an enormous amount of water, and leaves behind tons of waste. Coca-Cola knows this. Its new "going-green" features stylish green cans and highlights the company's water conservation efforts. Coca Cola has partnered with WWF to preserve seven of the world's major rivers. It is also helping conservation projects in water-stressed areas throughout the world. Oddly, Coca Cola fails to mention is how these sensitive water sources became stressed in the first place. Hint: it rhymes with "joke." It takes about 2.5 liters of water to produce just one liter of product at Coke's bottling plants. Coca-Cola sells 1.5 billion beverages a day in over 200 countries. In 2006, Coca-Cola and its bottlers used 80 billion gallons (290 billion liters) of water to produce beverages — equivalent to one-fifth of the daily water usage of the U.S. Approximately 40% of that went into producing their popular drinks like Coke, Sprite and Fanta, while the other 60% was consumed by the firm's supply chain and the production of ingredients, including the water-intensive process of growing sugar and corn for corn syrup. We haven't begun to mention the ungodly amounts of plastic waste the company's plastic bottles produce. Try harder, Coke.

Snacks: The claim of "all natural" enters the ring once again with snacks. Take Cheetos. They hope you'll forget their signature day-glo orange puffs in favor of a high-fat, low-nutrient "natural" alternative containing high-fructose corn syrup, oil, and corn from genetically modified sources.

Then there's Sunchips, which emphasizes its connection with its namesake by claiming that Sunchips from California are made with solar energy. The claim doesn't mention, however, how much of the manufacturing energy used to the make the chips is offset by solar.

Sunchips and Cheetos parent company PepsiCo is indeed making slow inroads towards more sustainable snack production, but for now, the company's greenwashing exceeds its implementation.

10.8.6 EXPERIENTIAL MARKETING

Google: "Building a Better Bay Area": Corporate philanthropy is definitely on the rise. Between 2012-2014, 56 % of companies increased charitable giving, and Google is no exception. But when the search engine giant gave away $5.5 million to Bay Area non-profits, it let the public decide where that money would go -- in an unconventional, interactive way.

Google allowed people to cast their votes online, but they also wanted to involve the Bay Area community in a tangible way. So they installed large, interactive posters -- in places like bus shelters, food trucks, and restaurants -- that locals could use to vote for a cause. That's a big thing about experiential marketing: It allows people to interact with a brand when they have the time. Maybe that's why 72% percent of consumers say they positively view brands that provide great experiences. And that concept works in this experience, because it takes advantage of a "you're-already-there" mentality. In San Francisco, finding people waiting for the bus or going to food trucks is pretty much a given. So while they were "already there," Google set up a few opportunities:

- To learn about and vote for local non-profits.
- To interact with the brand in a way that doesn't require using its products.
- To indirectly learn about Google's community outreach.

With the help of the online voting integration -- and a branded hashtag: #GoogleImpactChallenge -- the campaign ended up generating 400,000 votes over the course of about three and a half weeks.

Sensodyne - The Great Sensitivity Test: To encourage people to think about the impact of tooth sensitivity beyond a difficulty in biting ice cream, Sensodyne set up an experiential environment by Tower Bridge in London. The set-up included three different zones: the first allowed people to have a sensitivity check with a dentist and demo Sensodyne products, while the second was essentially a photo opportunity with a giant tooth. In the third zone Sensodyne attempted to break the world record for the largest ever oral hygiene lesson, with 232 people attending. The event achieved 150 media mentions and Sensodyne gave out nearly 6,500 free samples.

Carlsberg - Probably the best poster in the world: Carlsberg's beer-dispensing branded poster deservedly received a huge amount of media attention when it launched (see Figure 10-3). It's a perfect example of how experiential marketing should be done.

Figure 10-3: Carsberberg´s billboard

Source: Econsultancy [online]. [cit. 16th August 2017]. Available at: *https://econsultancy.com/blog/66908-10-inspiring-experiential-marketing-examples*

10.8.7 CONTENT MARKETING

Bon Appetit Magazine: Foodcast. Bon Appetit's podcast "features interviews with chefs, writers, and, well, anyone who has something cool to say about food." Topics include holiday baking, why chefs hate brunch, and FAQs for Thanksgiving dinner. Not every company needs a podcast, to be sure, but if you can schedule great guests and figure out the tech specs, this can be a meaningful channel to engage with storytellers over the long term.

Colgate: Oral Care Center. Colgate's Oral Care Center presents a wealth of educational dental information. The effects of alcohol and chlorine on teeth, and the potential causes of toothache, for starters. Anyone interested in oral care is certain to appreciate this blog — and want to brush his or her teeth after reading it.

Hipmunk: Traveler's Guide to Tipping. Travel booking site Hipmunk creates a wealth of content to answer common traveler questions and conundrums. One blog post called Traveler's Guide to Tipping is a fantastic resource for tipping practices in countries around the world. It includes guidelines for restaurants, taxis, and hospitality. Other excellent posts from Hipmunk include How Travelers Can See the New Star Wars Movie Two Days Early, 48

Things to Do in Asia, and How Much Does a Disney Vacation Really Cost. None of these posts are interactive or flashy, but they provide important and relevant information.

10.8.8 AFFILIATE MARKETING

Amazon is one of the world's biggest marketplaces. Even though there are so many affiliate marketplaces in the world, many bloggers, and big companies use Amazon to sell their products. Their affiliate program pays up to 15% of the sale amount and, depending on what kind of sale sellers are making, it's a good way to make big money (see Figure 10-4). Amazon has an estimated 400,000 affiliates or "associates" who offer Amazon books to their networks, for example a horse-riding website can have a book about horse riding promoted on the website in an Amazon banner that takes the buyer directly to Amazon. Everyone wins. The customer is offered very relevant books only. The website owner adds value to its website by adding highly relevant books and subsequently earning a revenue or commission on each book sold. There is no risk to the website owner, as no stockholding investment is required, and no resources are required for logistical operations (dispatch, post and packaging, and invoicing), as this is all handled by Amazon company. (Smith and Zook, 2012, p. 276)

Figure 10-4: The forms of banners offered by the Amazon to be used by partners
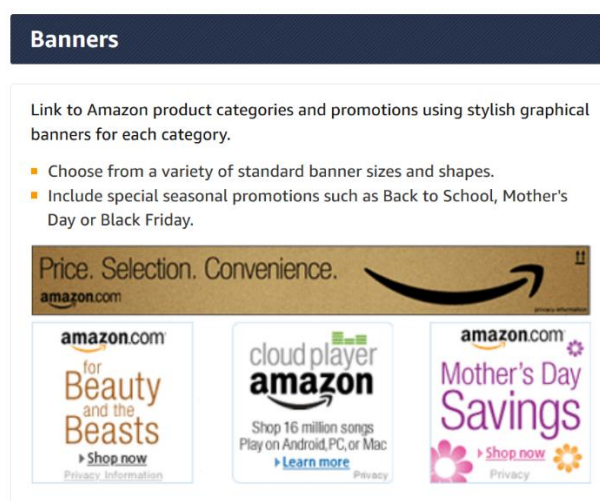
Source: Amazon websites [online]. [cit. 7th August 2017]. Available at: https://affiliate-program.amazon.com/welcome/topic/tools/ref=amb_link_472781542_2

Lastminute.com company considers its affiliate network as a team and an integral part of its marketing programme. Affiliates receive emails twice a week advising about key performing products and offers in their key sales areas. Blogs are used to provide up to date information. Lastminute.com also provide their affiliates with advice and facilities to generate increased income. For example, these include bespoke banners for placement by the key affiliate partners and templates and designs for email newsletter. Even quiet or underperforming affiliates are reached with communications that flag relevant offers to get them operating once again. (Fill, 2011, p. 304)

11 MARKETING COMMUNICATION PLANNING AND MANAGING

Marketing communication mix is created to meet the particular marketing and communication objectives. The aim of the creation of the marketing communication mix is to find the optimal combination of various means of communication and their use in a manner that corresponds to the market situation.

Each tool has its own characteristics and costs that must be taken into account. The use of individual communication mix elements also depends on the type of product and type of market, i.e. whether the market B2C or B2B market is. There is the use of advertising, followed by sales promotion, direct marketing, public relations and sponsorship in the B2B market. On the other hand the personal selling is used primarily, followed by sales promotion, direct marketing in B2B market. The product life cycle also plays a crucial role.

There are many different approaches to building a marketing plan or, more specifically, a marketing communications plan. There is no single common approach, but there are essential elements that every marketing communication process must have.

The process of marketing communication campaign preparation consists of the following seven steps: (Matušínská and Stoklasa, 2013)
1. Situation analysis
2. The objectives and target groups setting
3. Budgeting
4. Marketing communication mix strategy (strategy selection, marketing communication mix elements, medial mix)
5. Marketing communications coordination and integration
6. Marketing communications implementation
7. The checking of marketing communication campaign results according to defined objectives and target groups

11.1 SITUATION ANALYSIS

Situation analysis involves researching the current environment into which the marketing communications will fit. The situation analysis results serve as the basis for marketing communication planning.

Situation analysis includes external and internal analysis. **Internal conditions** can be partly influenced and controllable by the company. Analysis of internal environment describes the internal situation (excellent product and good positioning, more recognizable and memorable brand, loyal customers, tradition, sufficient financial resources for marketing communication activities, participate in fundraising projects, successful communication campaigns in the past, etc.). **External conditions** cannot be influenced and controllable by the company. External environment strongly influences the form of company marketing communication (product and communication activities of competitors, the legislative environment in marketing communications and ethical codes of professional associations, the popularity and use of media in the area, local customs, quantity and quality of communication agencies, etc.).

11.2 OBJECTIVES AND TARGET GROUP SETTING

After analysing the situation through secondary and primary sources, the next step is to define the objectives and target groups.

11.2.1 OBJECTIVES SETTING

Clearly there is a need to define objectives. Objectives are particularly important as they are often used to brief external bodies such as advertising agencies. They would then develop a creative campaign based on these objectives. Generally, all objectives need to be set out in **SMART** terminology (specific, measurable, achievable, realistic, time specific). (Fill, 2011)

Ideally objectives should be quantified in term of success of failure criteria. Timescales should also be set. Clearly defined objectives make the management task of control much easier. Drawing up objectives for the first time is a difficult task. In future years, the previous year´s objectives and corresponding results will help to make the planning job a little easier, as everyone has a better idea of what is realistic and what is not. Establishing clear objectives is necessary to give a focus to the organization or division. Clear objectives also give direction to subsequent creative efforts. Some marketing managers and agencies break objectives into many different types. Two basic types of objectives are examined here: **marketing and communication objectives**. (Smith and Zook, 2012)

Typical **marketing objectives** refer to sales, market share, distribution penetration, launching a number of new products, and so on. For example, marketing objectives might be: (Smith and Zook, 2012, p. 233-234)

- To increase unit sales of product/brand X by 10 per cent over the next 12 months.
- To increase market share by 5 per cent over the next 12 months.
- To generate 500 new enquiries each month.
- To increase distribution penetration from 25 per cent to 50 per cent within 12 months.
- To establish a network of distributors covering Germany, France, The Netherlands and Italy during the first six months, followed by Switzerland, Austria, Belgium and Luxembourg in the second six months.

Communication objectives typically refer to how the communications should affect the mind of the target audience, e.g. generate awareness, attitudes, interest or trial. Again, these tend to be most useful when quantified. DAGMAR (defining advertising goals for measuring advertising response) and AIDA (attention, interest, desire, action) provide yardsticks for communications objectives by trying to separate the various mental stages a buyer goes through before buying. The mental stages suggested by DAGMAR and AIDA can be seen in Table 11-1.

Table 11-1: The models DAGMAR and AIDA

DAGMAR	AIDA
Unawareness	X
Awareness	Attention
Comprehension	Interest
Conviction	Desire
Action	Action

Source: Smith and Zook (2012, p. 234)

Here are some examples of communications objectives: (Smith and Zook, 2012, p. 233-234)

- To increase awareness from 35 per cent to 50 per cent within eight weeks of the campaign launch among 25- to 45-year-old ABC1 women.
- To position the service as the friendliest on the market within a 12-month period among 70 per cent of heavy chocolate users.
- To maintain brand X as the preferred brand of photocopiers among at least 50 per cent of current UK buyers in companies with 1,000-plus employees.
- To include Bulgarian wines in the repertoire of possible wine purchases among 20 per cent of ABC1 wine buyers within 12 months.
- To announce a sale and create 70 per cent awareness one day before the sale starts.

11.2.2 TARGET GROUPS SETTING

The success of communication campaigns depends on a clear definition of the target group. It may be current or potential users of the product or brand, individuals or groups deciding about purchase, etc. Their detailed characterization is an essential prerequisite for further progress, i.e. to determine what, how, when and where we will communicate. Characteristics of the target group can be described on the basis of segmentation criteria. The issue of segmentation, targeting and positioning has been described in Chapter 2.

It is often talked about the marketing potential of specific target groups such as the elderly, women, children, future parents, singles, etc.

11.3 BUDGETING

It is often said that "money oils the wheels of business" and business communications are no different, ultimately being dependent on finance. There are several ways that a communication budget can be formulated. One common approach is simply to match the competition and spend approximately the same as any rivals. (Drummond and Ensor, 2005)

Having decided the overall plan for the promotional campaign, the marketer needs to decide what the organisation can afford. The level of noise from advertising clutter means that (unless the creative people are very creative indeed) companies must spend a certain minimum amount to be heard at all, so there is likely to be a minimum level below which there is no point in spending any money at all. Table 11-2 illustrates some methods for setting the budgets with their advantages and disadvantages. In the real world, marketers usually adopt a combination strategy, using several of the below methods.

Table 11-2: Promotional budgeting methods

METHOD	EXPLANATION	ADVANTAGES	DISADVANTAGES
Objective and task method	Identify the objectives to be achieved, then determine the cost and effort required to achieve those objectives.	Has a logical basis, and if carried out correctly will achieve the firm´s strategic goals.	Difficult to calculate the necessary spend to achieve the objective. Time-consuming and expensive in terms of market research.
Per cent of sales method	The planner simply allows a fixed percentage of the company´s sales to be used for promotion. This promotional budget increases as sales go up, and decreases a sales go down. A very common method of budgeting.	Simple to calculate, also ensures that, if sales drop off, costs also drop.	Is based on the false premise that sales cause promotion, rather than promotion causing sales. Logically, if sale fall promotion expenditure should be increased to bring the customers back in.
Comparative parity method	The marketer matches expenditure to that of the competitors. Thus the firm does not lose ground if a competing firm increases its budget.	Ensures that the firm remains on a par with the competitors, and does not waste expenditure.	Takes no account of changes in the market, or opportunities that might arise. I tis not customer-orientated, in other words.
Marginal approach	Marketer only spends up to the point where any further spending would not generate enough extra business to justify the outlay.	This method would maximise profit since no excess spending would result.	Extremely difficult to calculate, given the changing nature of markets.
All-you-can-afford method	The marketer spends whatever money can be spared from other activities. Often used by small businesses when starting out.	Company cannot become over-committed or run into trouble by relying on sales which do not, in the end, materialise.	Again, bears no relationships to the state of the marketplace. Also relies on the marketer being able to persuade other departments within the firms to give up expenditure on their own pet projects.

Source: Blythe (2003, p. 39)

11.4 MARKETING COMMUNICATION MIX STRATEGY

Strategy summarizes "how we get there" – how the objectives will be achieved. Strategy drives tactics in the same direction. Strategy summarizes tactics. Communications strategy helps to harmonize and integrate all of the tactical communications tools. (Smith and Zook, 2012) The strategy of marketing communication mix includes the choice of communication strategy, the choice of marketing communication mix specific elements and in the case of the use of advertising the right medial mix must be chosen.

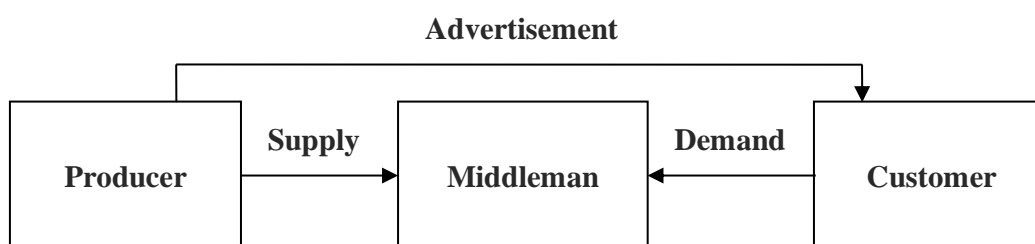### 11.4.1 MARKETING COMMUNICATION STRATEGY FORMULATING

The business terms push and pull originated in logistic and supply chain management, but are also widely used in marketing – marketing communication. A push–pull system in business describes the movement of a product or information between two subjects. On markets the consumers usually "pull" the goods or information they demand for their needs, while the suppliers "push" them toward the consumers. (Matušínská and Stoklasa, 2013)

Push strategy involves promoting heavily to the members of the distribution channels, i.e. to wholesalers, retailers and agents on the assumption that they will, in turn, promote heavily to the end consumers. In this way the products are pushed through the distribution channel.

Pull strategy involves promoting heavily to end users and consumers to create a demand that will pull the products through the distribution channels.

Push strategies tend to place the emphasis on personal selling and sales promotion, whereas pull strategies tend to place the emphasis on mass advertising. The two strategies are not mutually exclusive, but rather represent opposite ends of a spectrum, most campaigns contain elements of both (see Figure 11-1). (Blythe, 2003, p. 37)

Figure 11-1: Pull and Push marketing communication strategy

Source: author´s work

11.4.2 SELECTION OF MARKETING COMMUNICATION MIX ELEMENTS

It is necessary to choose the appropriate combination of the marketing communication mix elements due to previous steps in the strategic marketing communications planning. Above all, it will depend especially on the type of product, marketing and communication objectives, target group, financial resources, marketing strategy of the company, etc.

11.4.3 MEDIA SELECTION

There is the use of advertising in most cases if the communication campaign is aimed at the final consumers (B2C market). So the media selection should be very carefully considered and chosen. The **proper medial mix** is a guarantee of communication campaign success.

Some **principal media types**, serving as independent channels for above the line advertising are (see Table 11-3): (Kaftan, 2001, p. 231)

- **The press** (the news press, magazines) where the messages can appear in the form of bordered advertisements or as classified line ads, financial reports and other economic or technical information in national and regional newspapers and periodicals or in "trade and technical" journals. Advertisements are sometimes printed loosely and special leaflets (flyers, inserts) are enclosed inside a publication.

- **Television** which presents TV commercials in an informative and entertaining manner, full of catch-phrases, catchy tunes etc. Advertisements can also appear on teletexts or cable and satellite TV.
- **Out-of-door** posters which appear in the form of roadside stationary billboards or on means of transport (painted posters on trams and buses).
- **In-door advertising** located in public covered territory (trains, planes, public transport, shopping centers, consulting rooms, etc.).
- **Cinema** advertising which has for some time been on the decline due to competition from TV and video. However, this type of advertising is now being revitalized at multiscreen complexes which have started offering a variety of film packages and use other attractions to lure back cinemagoers.
- **Radio** which only provides sound, but some audiences can be better reached throughout the day by this means of advertising.
- **Internet, mobile phone and ambient media (nontraditional media).**

Table 11-3: Basic advertising media (advantages versus disadvantages)

Medium	+ Reasons for using	Reasons for not using
TV	Realism – sight, sound, movement, repetition, regional zoning, entertaining	Poor selectivity, detail often missed, high costs long lead times, highly regulated content, inflexible
Radio	Widespread use, active, local targeting, relatively inexpensive, can involve listeners	No visual content, often used only as background, small audiences, low prestige
Out-door	Low cost, localized, easily changed	Low-attention capacity, limited segmentation possible, vulnerable to vandalism, poor image
News press	Relatively inexpensive, short lead time, wide reach, good for technical detail	Passive, reproduction of photos may be poor, no dynamics
Magazines	Quality of reproduction provides high impact, longevity, can associate a brand with cultural icons among a mass audience	Visual only, long lead times, do not foster a relationship
Cinema	High impact, captive audience	Expensive, lacks detail
Internet	Inexpensive presence, active, allows movement, sound and colour to attract, fast information provision, can have a sales facility	No national coverage, limited access and not relevant for goods as perfume and food
Mobile phone	Good targeting, interaction, high flexibility, low costs, high comfort for the users, simply measurability, a database building	Annoying, loss of users´ privacy
Word-of-mouth (opinion leaders)	Doesn´t cost anything (usually because it is not invested in)	A failure can be very costly to reputation and purchases
Non-traditional	Ability to draw attention, it doesn´t annoy customers for the present (it is something new)	It could be unethical and illegal in some cases.

Source: own formation according to Blythe (2003 p. 33-34)

The concept **Signmaking** is significant in the field of outdoor advertising. This word is then used for the all advertising industry involving the physical production whose output is

some promotional element: signboard, billboards, neon signs, lettering or graphics on the cars or shop windows.

The Signmaking includes:

- Light and non-illuminated advertising (hoods - decorative boards over the entrance, signs, banners, signs, logos).
- Guidance systems and pictograms.
- Portable and mobile advertising (printing on cars, trains, planes, portable stands, etc.).

BASIC MEDIAL TERMS

Some media indicators have been mentioned in the text of the communication objectives, there are additional important media terms (Vysekalová and Mikeš, 2007; Levens, 2012):

- **Advertising intermediary** - there is a difference between the media and intermediary. Media are communication channels which broadcast commercial message (print, TV, radio, Internet, etc.), intermediaries are already specific types (channels) of media (television - Nova, ČT, Prima, BBC, etc.).
- **Body copy** is a written persuasive commercial text in printed advertisements (magazines, newspapers, billboards, leaflets, Web page, etc.). It's all the words. The main text found in printed Ads.
- **Classical media** such as print, out-door, TV, radio.
- **Cold media** can influence receivers´ emotions to a limited extent (newspapers, magazines, billboards, leaflets, etc.).
- **CPT** (cost per thousand) is a metric that calculates the cost for any media vehicle to deliver one thousand impressions among a group of target customers.
- **Digital media** includes electronic media such as e-mail, Web advertising, and Web sites.
- **Electronic media** such as TV, Internet, radio, etc.
- **Gross Rating Points (GRPs)** are a way for planners to approximate the impact of media decisions and are the product of reach multiplied by frequency.
- **Hot media** can influence receivers´ emotions (TV, radio, cinema).
- **Medial planning** involves the creation of a media plan, which is a document that describes how an advertiser plans to spend its media budget to reach its objectives.
- **Medial plans** – specify the types and amounts of media to be used, the timing of media, ant the geographic concentration (national, regional, or local).
- **Prime time** is the daypart (a block of a day's programming schedule) with the most viewers and is generally where television networks and local stations reap much of their advertising revenues. The term prime time is often defined in terms of a fixed time period – for example, from 19:00 to 22:00 (Central and Mountain Time) or 20:00 to 23:00 (Eastern and Pacific Time) (7 p.m. to 10 p.m. or 8 p.m. to 11 p.m.).
- **Ratings** are the percentage of the total available audience watching a TV show or tuned in to a radio program.
- **Reach** is a measure of the number of people who could potentially receive an ad through a particular media vehicle.
- **Teleshopping is** an **infomercial** form of television commercial, which generally includes a phone number or website. Long-form infomercials are typically between 15 and (more commonly) 30 minutes in length. This phenomenon started in the United States, where infomercials were typically shown overnight (usually 2:00 a.m. to 6:00 a.m.), outside of peak prime time hours for commercial broadcasters.

- **Zapping** is the practice of quickly scanning through different television channels or radio frequencies to find something interesting to watch or listen to. Modern viewers, who may have cable or satellite services beaming down dozens if not hundreds or thousands of channels, are frequently channel surfing. It is common for people to scan channels when commercial broadcasters switch from a show over to running advertisements.

11.5 MARKETING COMMUNICATIONS COORDINATION AND INTEGRATION

At this stage, all activities are identified and coordinated. Then it must be determined who will perform the task (own marketing department/communication agency) including the establishment of a timetable.

11.6 MARKETING COMMUNICATIONS IMPLEMENTATION

This stage is the planned communication activities putting into practice.

11.7 THE CHECKING OF MARKETING COMMUNICATION CAMPAIGN RESULTS ACCORDING TO DEFINED OBJECTIVES AND TARGET GROUPS

The planning process is completed when feedback is provided. Not only should information regarding the overall outcome of a campaign be considered but so should individual aspects of the activity. This feedback is vitally important because it provides information for the next context analysis, which anchors subsequent campaigns. Information bed back in a formal and systematic manner constitutes an opportunity for companies to learn from their previous campaign activities, a point often overlooked and neglected. The issue of measuring of marketing communication campaigns effectiveness is discussed in the chapter No. 13.

12 MARKETING COMMUNICATION AGENCIES MARKET

The marketing communications industry consists of four principal actors. These are the media, the clients, the agencies and finally the thousands of support organisations, such as production companies and fulfilment houses, that enable the whole communication process to function. It is the operations and relationships between these organisations that not only drive the industry but also form an important context within which marketing communications can be understood. (Fill, 2011)

Figure 12-1: Key stakeholders in the marketing communication industry
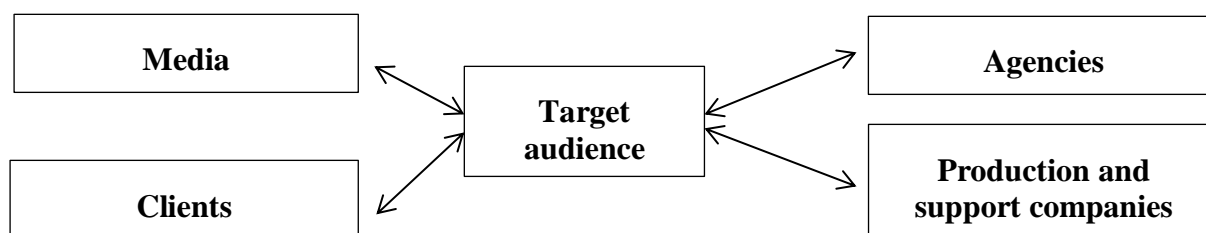
Source: Fill (2011, p. 165)

There are many types of agencies, including advertising, sales promotion, direct mail, PR, corporate identity design, web design and more. Some call themselves agencies and others, consultancies. Regardless of title, the barriers created by the separate disciplines are falling. Corporate identity design consultants´ services are spreading into advertising campaigns (to launch the new identities), sales promotion consultants are tempted into direct mail, as this communications tool requires a constant flow of incentives, premiums and sales promotions, advertising agencies are dropping the word "advertising" and PR consultants are dropping "PR, as these terms restrict them from developing and delivering the integrated marketing communications services their clients require. The overall approach by, and structures of, advertising agencies is changing. Most agencies have moved their total focus beyond the one-way "tell" medium of traditional broadcasting, with its limited levels of interactive responsiveness. These agencies are now integrating more closely with the "responsive disciplines", such as direct mail, sales promotions and social media. Moving from "tell campaigns" to "listening campaigns" requires a constant customer dialogue nurtured and integrated across many media. (Smith and Zook, 2012)

12.1 DIY, FULL-SERVICE OR SPECIALIST MARKETING COMMUNICATION AGENCIES

As "ad agencies" are by far the biggest type of agency, TV consumption is still going up and offline budgets are still far greater than online budgets (across the board), "advertising agencies" will be used here (despite their restructuring into new forms of agency). The larger ad agencies offer a full service, including creative, research and planning, media planning and buying, and production and now social media planning. Some full service agencies also have departments specializing in forecasting, market intelligence and business planning, together with support services for the advertising campaign, including point-of-sale design, sales literature, sales conferences and other below-the-line activities such as sales promotion, PR and direct mail. The agency, like any other business, also has other departments that are of little

interest to the client, such as accounting and finance, personnel, administration, etc. (see Table 12-1).

Table 12-1: Aspects of various types of communication agencies

Aspect	Full services	Specialist services	In-house
Management and control	Easier, since it is all under one roof	More work (coordination)	Total control, but more work involved
Security	Limited risk – sensitive information is shared with agency	More risk – more people have access to information	Minimal risk – no outsiders
Speed/response	Reasonably good	Possible problems if `a la carte = more coordination	Fast, since all decision makers are available
Cost	Expensive, high overheads, but lower media costs with agency buying power	Cheaper, fewer overheads	Cheaper, but less media buying power
Fresh views	Yes	Yes	No
Expertise	Yes (jack of all trades, master of none?)	Yes (fill in gaps in client´s skills)	No (lack of specialized knowledge)
Stress	Less pressure/workload	Delegate some workload	More stress – more work

Source: Smith and Zook (2012, p. 183)

Advertisers can choose to use only their own in-house staff to run a campaign. Do-it – yourself or in-house advertising also varies, as some advertisers prefer to contract out some of their requirements to specialist services such as a specialist media scheduling and buying agency known as a „media independent". Similarly, the creative work can be put out to a „hot shop" or „creative shop". Saatchi & Saatchi started as a creative shop. Alternatively, the advertiser can go `a la carte by picking and choosing separate agencies with specialist services for different parts of the process, e.g. using four different agencies for the research, creative, production and media planning/buying stages. There are other types of specialist agencies that focus on a particular industry sector.

A recent discrete development in the `a la carte option is the agreement of a large, well-known, full-service advertising agency to subcontract the large agency´s creative services to a small communications consultancy on an ad hoc basis. This may last only as long as the agency has spare capacity or is searching for extra revenue. Some clients demand that their full-service agencies work alongside the client´s separate choice of media independents. Some full-service agencies get only a portion of the full job. A recession can force some clients to cut back their own in-house advertising department and operate a less costly and more flexible and hoc project arrangement with various agencies. (Smith and Zook 2012)

## 12.2 AGENCY STRUCTURE

Different types and sizes of agencies have different structures. The structure of a large advertising agency is shown in Figure 12-2, which illustrates the many different departments, people and skills that have to work together to create and advertisement. Companies that have their own in-house advertising departments, and smaller, external agencies, will subcontract an

of the departments they do not have. Many of the bigger agencies also hire, or subcontract, directors, producers, camera people, photographers, film companies, print and production facilities. Any other agent, agency, consultant or consultancy – whether public relations, direct mail, sales promotion or corporate identity – also relies on the ability to bring together many different skill sets and departments, as shown in Figure below. Although pure and agencies are growing into integrated agencies offering an additional suite of social media services, TV advertising is not going away and still takes a disproportionately large chunk of any brand´s budget. Therefore the original ad agency structure is still worth exploring.

Agencies are evolving from pushing advertising campaigns to nurturing communities of consumers and matchmaking them with brands. There is a new breed of agencies with greater data analytics and planning skills emerging. It is possible that, instead of pitching for a brand´s business, agencies may offer a new service – selling access to groups of consumers´ groups with similar interests that they have nurtured. Successful agencies will probably connect themselves with clearly defined communities of consumers and cultivate insights into their behavior. These communities can be online and offline, e.g. an agency funding a community hall. So man new skills and new departments need to be added to Figure 12-2, e.g. social community creators, developers and nurturers. (Smith and Zook, 2012, p. 184)

Figure 12-2: Structure of large advertising agency
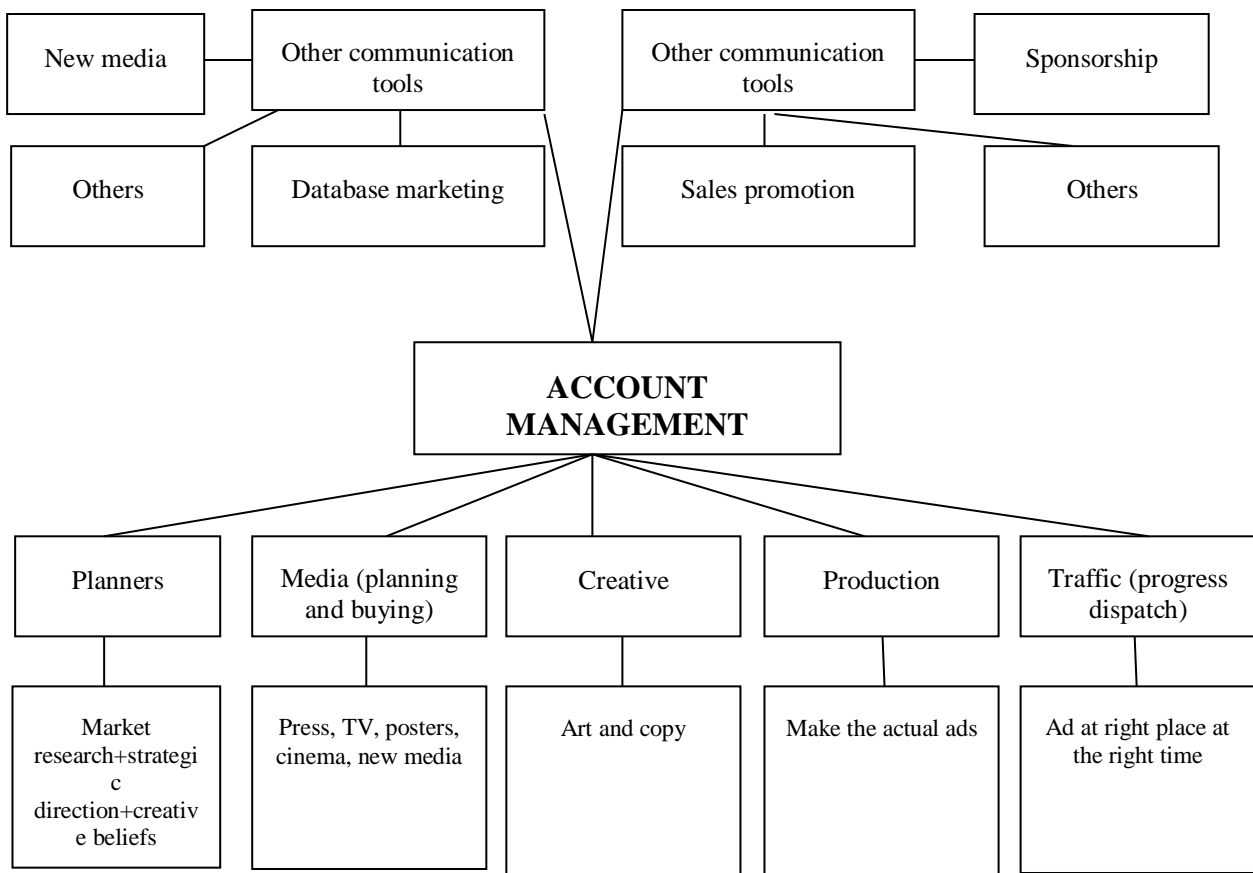
Source: Smith and Zook (2012, p. 184)

12.3 AGENCY REMUNERATION

Agencies have three basic methods of calculating their remuneration: **commission, fees and pay-by-result (PBR).** (Smith and Zook, 2012, p. 187-189)

12.3.1 COMMISSION

Although this has changed drastically, historically media owners have given recognized agencies a 15 per cent discount off the rate card price. Thus, in the case of a $ 10 million TV advertising campaign, the agency gets invoiced by the TV station at rate card $ 10 million less 15 per cent, i.e. $ 8.5 million. The client then gets invoiced by the agency at the full rate card price, i.e. $ 10 million. The 15 per cent commission really represents a 17.65 per cent mark-up, i.e. the $ 1.5 million commission is the mark-up which the agency adds on to its media cost of $ 8.5 million.

The agency will also apply its agreed mark-up to other services that it subcontracts, such as market research and so on. Thus a piece of research that costs the agency $ 10 million would be charged to the client (+17.65 per cent) at $ 11.765. One of the problems with the commission system is that it can tempt agencies to get clients to spend, spend, spend. Incidentally, the commission system does not necessarily cover all production costs, so production costs are often separately invoiced directly to the client by the agency. Over the past 10 years the number of clients using this method has declined significantly, in favour of a combination of the payment methods outlined below. In fact the 15 per cent commission has been slashed in half by some media owners. Back in 2006, Yahoo announced that it would pay 10 per cent commission to agencies that spend $ 80,000+ per month on search marketing, 5 per cent to those spending $ 20,000+ and nothing to agencies that spend less than that.

12.3.2 COMMISSION REBATING

Specialist media-buying companies – with much lower overheads – can work with commissions as low as 2 or 3 per cent. Some clients insist that the full-service agency only takes a smaller commission, say 10 per cent, with the balancing 5 per cent going back to the client. Commission rebating occurs when an agency passes on some of its commission to the client. There is no actual refund or rebate. The agencies simply invoice the client at rate card costs less the level or rebate, in this case 5 per cent. Commission rebating opens the door to agencies competing on price instead of on quality of service, as they have done traditionally. Most industries dislike price wars, and advertising is no exception. Many clients today are moving towards fees instead of solely commission-based remuneration.

12.3.3 FEES

Smaller clients with smaller media spends do not generate sufficient commission, so a fee will generally be agreed. Larger clients are also moving towards fees – an annual, quarterly or monthly retainer or, alternatively, a project fee. No commission means no media bias, since the agency is then free to recommend, say, direct mail, without losing any of its income (which would have been generated through commissions).

Many agencies receive a fee along with some level of commission, and/or some level of pay-by-results. The agency´s remuneration essentially depends on how much work is involved and how much the client is likely to spend (on media). The trend, particularly with larger clients, appears to be moving towards a fee basis or a mixture of fees, commissions and results. Pay-by-results can be mutually beneficial. It is sometimes disliked because of the lack of control that he agency may have over its own destiny.

12.3.4 PAY-BY-RESULTS (PBR)

Not so long ago, major agencies would dabble in some PBR, while the newer agencies, hungry for business, were prepared to put their heads on the block and offer most of their services on a pay-by-results basis. The problem with PBR is that some results are beyond the agency´s influence, e.g. poor product quality control, late delivery or inadequate distribution, a price change, a strike at the factory or competitor activities such as doubling advertising and cutting prices. So if sales form the main criterion for payment then the agencies are vulnerable by the very nature of their dependency on so many uncontrollable variables.

If, on the other hand, the payment is linked to results directly influenced by advertising, say level of awareness or a shift in image or positioning, then the agency has more control over its own destiny. Results, of course, have to be measured through market research. One area where PBR id relatively easy to manage is direct mail campaigns that deliver a certain number of enquiries, orders or customers. PBR extends beyond advertising into other disciplines as far away as design. This can apply to new product design (as royalty) or even packaging design, when the packaging design consultancy bases its fee on the clients increase in sale´s occurring after the launch of the newly designed pack. Although PBR appears attractive to the client, it can generate extra administrative work, as exact results have to be measured, royalties and contributions calculated, invoices requested and cheques raised for each agreed accounting period.

The method of agency reimbursement is fundamental to the client-agency relationship (both working and contractual). An agency´s range of reimbursement packages can influence the client´s selection process.

12.4 AGENCY SELECTION PROCESS OVERVIEW

Defining exactly what is required is the first stage of agency selection. This is because an appropriate choice is partly determined by a specific requirement. Some furniture retail chains may consider the strength of the media department the key criterion when choosing an agency, particularly if the store primarily wants maximum media coverage for its relatively straightforward black-and-white product information advertisements. Another client may be looking for a radically fresh approach and have a bias towards agencies with abundant creative talent. Either way, a clear brief should be prepared to identify exactly what – in marketing and advertising terms – the new advertising campaign is trying to achieve. The agency selection procedure is as follows:

1. **Define requirements.**
2. **Develop a pool list of attractive agencies.**
3. **Credentials pitch (by the agencies).**
4. **Issue brief to shortlisted agencies.**
5. **Full agency presentation or pitch.**
6. **Analysis of pitch.**
7. **Select winner.**
8. **Agree contract details.**
9. **Announce winner.**

Some clients prefer to get on with it by issuing a full brief to the shortlist of, say six agencies without going through the agency credentials presentation. Other clients prefer to restrict the valuable research findings and strategic thinking to as few agencies as possible, because the unsuccessful agencies are free to work for the competition at any time in the future.

13 MARKETING COMMUNICATION EFFICIENCY TESTING

Communication campaigns are often evaluated only for the commercial success - sales increase. But is it the only goal that the company has? It certainly isn't. Other goals may be to increase brand awareness, enhance image or a complete change in the perceived image, creating a new category of wants and needs, changing attitudes to the brand or product, etc. When assessing the impact of the campaign, it is important to take into account the characteristics of the target groups, which can significantly affect communicated message. The role of research for marketing communications is on the one hand to ensure effective use of individual communication forms and on the other to determine the effectiveness of their use. Research results are then used for planning of further marketing communications, for evaluation of overall communication strategy, and for use of different communication tools.

Effective communication campaign must be reasonably informative, creative, timely and targeted, done through the use of corresponding media. Effective communication campaign has to perform a variety of tasks, both short and long term. Research should facilitate the translation of how will people behave, because from the perspective of measuring efficiency, it is not so important what people say but what they do. In terms of short-term and long-term it may be a different question. In the short term (tactical) perspective, we ask: have people registered our campaign? Have they connected it with the brand? Changed their opinion about the brand? What did the campaign tell them? Have we targeted the right group? The long term (strategic) point of view we are interested in: Whether and how the campaign helps build a brand? Campaign is in line with the overall corporate strategy?

In essence, it measures the quantitative and qualitative indicators of the effectiveness of marketing communications. Quantitative measurements can be divided into two large groups according to whether they measure the reach or impact of communication campaigns. (Vysekalová, Herzmann and Cír, 2004, p. 14)

Table 13-1: Indicators of marketing communications reach

Marketing communications reach		
Number (proportion) of persons that encountered/met communication	⇨ ⇨ ⇨	Demonstrates the potential effect of marketing communications
Usually found out only in the target group		

Source: Vysekalová, Herzmann and Cír (2004, p. 14)

In practice, the reach of a campaign is mainly measured through the media indicators (mentioned in the chapter on marketing communications planning). Its measurement is mainly dedicated to communication and media agencies. These include rating, share, net reach, GRP, etc. The reach of marketing communications in the use of media can be relatively easily and accurately measured, even though it is a very costly affair. The annual cost of the Media Project, which measures the reach of newspapers, magazines and radio stations, is about CZK 20 million. However, the reach is not our main goal because we don't just want the sheer amount of people to see our communication, we want to actually change their consumer behaviour, i.e. impact.

Table 13-2: Marketing communications impact

Marketing communications impact		
Number (proportion) of people who remember communication		
Changes in attitudes and behaviour as a result of marketing communications	⇨ ⇨ ⇨	It expresses the effect of communication
Usually found out only in the target group		

Source: Vysekalová, Herzmann and Círm (2004, p. 105)

Both groups of indicators are in fact complementary, together they create a vivid picture of the action of individual campaigns and the entire communication process. To a certain extent, they are mutually conditional – there is no impact without the reach. At the same time a large reach does not guarantee the desired impact, there are even counterproductive campaigns. Also the correct targeting of communication campaign is very important. (Vysekalová, Herzmann and Cír, 2004, p. 15)

When it comes to measuring the impact of advertising campaigns, two types of indicators are used in practice. Some are oriented on the ad itself (direct indicators), the second group focuses on measuring the impact of advertising on consumer attitudes and consumer behaviour, specifically to achieve change in attitudes and behaviour (indirect indicators). (Vysekalová, Herzmann and Cír, 2004, p. 15)

The group of direct indicators includes six kinds of indicators that can be primarily obtained through questioning without much difficulty, these are:

- Knowledge of ads (ad awareness) - plays the key role among direct indicators, from which it is easy to derive an overall evaluation of marketing communications. This is based on the assumption that the person not knowing the ad may be affected only indirectly (through public opinion). In practice, it usually detects spontaneous knowledge, therefore whether people can remember a particular advertisement spontaneously, "without help". It also monitors whether the ad was placed in the first place (TOM - top of mind - the first to come to mind) or, if it was in the first two or three places (the so-called TOP BOX). After testing spontaneous knowledge, we usually test knowledge induced, "with help". Advertising can be recalled in the survey verbally, visually, or by an audio-visual presentation of a product concerned. Percentage of people who can remember an ad with help is usually higher than the percentage of those who remember it spontaneously.
- Recognition of ads (ad recognition) - we are testing what part of the target group connects properly the significant element of an ad (music, actors, environment, etc.) with the brand or product that is presented in this advertisement.
- Remembering or retrofitting ads (ad recall) – we are testing which features of the advertisements for a certain class of brands or products respondents recall. We are testing in particular to what extent the consumers remember our advertisement characteristics compared to ads of competing companies.
- Slickness of advertising (ad likes / dislikes) - this indicator is important from the viewpoint of the human emotions. Therefore, figuring out what people like and dislike about our advertising, although this in itself does not necessarily mean effect on attitudes or behaviour.

- Understanding advertising (ad comprehension) - this indicator is designed to detect to what extent and what part of the target group understands communication, eventually individual benefits that the advertising communicates about the brand and product. We are therefore finding out the rational aspects of an advertising campaign influencing the action.
- Credibility of advertisement (ad credibility) – we are testing which part of the target group trusts the communication, but also the extent to which respondents identify themselves with the contents communicated, with the people and action included in the advertising. It is important to determine what is the frequency of certain opinions, feelings and attitudes, and subjective interpretation of the elements of the ad.

In terms of measuring the impact of marketing communication on consumer attitudes and consumer behaviour - indirect indicators, marketing communications generally seeks to change and shift in five dimensions (Vysekalová, Herzmann and Cír, 2004, p. 18):

- Changes in brand or product awareness (brand awareness, product awareness).
- Differentiation of brand/product from the competition.
- Changes of the image and perception of brand personality or product providers (brand image/brand personality).
- Changing attitudes to the brand or product (brand attitude, product attitude).
- Changes in consumer behaviour.

13.1 COMMUNICATION RESEARCH ACCORDING TO TIME

To test the communication campaigns in terms of time we use the **pre-tests, interim tests, post-test, and tracking studies.**

Marketing research results can help communications agency in the preparation of the campaign, and to verify the effectiveness of the selected arguments over the rational and the emotional acceptance of the campaign, to a deeper understanding of the target group. These are the results of the pre-test. In pre-tests we apply both qualitative and quantitative techniques. The most commonly used qualitative are group discussions and individual exploration, supplemented by various projective, boolean and scaling procedures. (Vysekalová, Herzmann and Cír, 2004, p. 56)

Tests conducted during the campaign validate its adoption by target groups and enable potential to make the necessary corrections during the campaign. (Vysekalová, Herzmann and Cír, 2004, p. 56)

Each evaluation of the communication campaign should be a mini study of current attitudes and positions of the target group as compared to the initial situation. It should predict the strength and direction of changes induced by the campaign in relation to the brand. People have both emotional and rational relationships to brands, so we must collect the feelings that inspire the brand, and how they are perceived (positioning). In regards to the post-test, we are conducting the test in order to know where the brand is in a given point in time, and in order to identify changes that have occurred. Tests used after the campaign ended (post-tests) are thus finding its reach, whether it was properly targeted, analyse information and motivational impact and are an important starting point for planning future campaigns. (Vysekalová, Herzmann and Cír, 2004, p. 56)

Important role in terms of monitoring the development, progress and impact of communication campaigns have long-term research - tracking studies. We are tracking the brand awareness and purchase intentions. Usually it's a long-term, quantitative research, which continuously calculates the results of a series of communication campaigns (including competitors) to the knowledge of brands or products, and attitudes and their changes on the basis of this communication, as well as effects on shopping and consumer behaviour. On the

Czech market, such studies are available especially for food and non-alcoholic drinks, beer, cosmetics, OTC drugs and dietary supplements, banking and insurance, telecommunications and the internet as well as print and electronic media. In other sectors, companies must rely primarily on individual surveys related to their individual campaigns. (Vysekalová, Herzmann and Cír, 2004, p. 56)

13.2 MARKETING RESEARCH

Marketing research is the process of defining a marketing problem and opportunity, systematically collecting and analysing information, and recommending actions to improve an organization´s marketing activities. (Berkowitz, Kerin and Rudelius, 1989, p. 143)

Depending on the situation facing a company, particularly the resources allocated to marketing research, there are three ways of carrying out marketing research, described below. (Drummond and Ensor, 2005, p. 60-61)

Undertake the work in-house
This is an option in the case of small scale research projects or where an organization is large enough and employs specialist marketing staff.

Employ a fieldwork agency
Even for an organization with specialist market research staff that can design a questionnaire and coordinate a survey they may find that, for a large survey, they don´t have the resources to actually carry out all the interviews. In this situation they can employ a specialist fieldwork agency who will undertake the interview then hand back the data for the organization to analyse. Many marketing research agencies will offer fieldwork administration as one of a range of services they offer clients.

Employ a marketing research agency
Another option available to an organization is to contract out all aspects of the research project to an outside agency. The agency then would complete all the stages of the research project. In order for this approach to work successfully there has to be very clear communication between the client and the agency about the objectives of the research.

BASIC TYPES OF MARKETING RESEARCH

Marketing research falls into two major categories: **continuous and ad hoc research.** (Drummond and Ensor, 2005, p. 51-52)

Continuous research involves collecting information from external sources on a continuous basis. Reports are produced on a regular basis, normally either monthly, quarterly or annually. This type of data allows an organization to consistently compare trends over time. The key types of continuous research that organizations employ are consumer panels, television viewership panels, marketing databases, retail audits, customer relationship management systems and websites audits.

Consumer panels are formed by recruiting large numbers of households, which provide information on their purchases over time. The most usual method of data collection is the use of diaries, which panel members fill in with details of purchases and return to the survey organization on a weekly basis. However, an innovation is in the use of data terminals and barcode readers, which allow panel members to scan their purchases at home allowing the data

to be sent electronically. By using the same households over a period of time, measures of brand loyalty and switching can be achieved, together with a demographic profile of the type of person who buys particular brands.

Retail audits are a second type of continuous research. By gaining the cooperation of retail outlets (supermarkets) sales of brands can be measured by means of laser scans of barcodes on packaging, which are read at the checkout. Although brand loyalty and switching cannot be measured, retail audits can provide accurate assessment of sales achieved by store.

Television viewership panels measure audience sizes minute by minute. Commercial breaks can be allocated ratings points (the proportion of the target audience watching), which are the currency by which television advertising is bought and judged. Viewership information is recorded on online meters. The meter records whether the TV set is on/off, which channel is being watched and, by means of a hand console, who is watching. The meter automatically sends the data to the survey organization on the daily basis.

Marketing databases mean that companies collect data on customers on an ongoing basis. The data are stored on marketing databases, which contain each customer´s name, address, telephone number, past transactions and, sometimes, demographic and lifestyle data. Information on the types of purchase, frequency of purchase, purchase value and responsiveness to promotional offers may be held. Retailers are encouraging the collection of such data by introducing loyalty card schemes. The card, which is swiped through the cash machine at the checkout, contains information about the cardholder, such as name and address, so that purchasing data including expenditure per visit, types of brands purchased, how often the customer shops and when, and at which branch, can be linked to individuals.

Customer relationship management systems is term for the methodologies, technologies and e-commerce capabilities used by companies to manage customer relationships. A potential problem with the growth of marketing databases is that separate ones are created in different departments of the company. This fragmented approach can lead to problems when, for example, a customer transaction is recorded on one but not the other database. Issues like this have led to the development of customer relationship management systems, where a single database is created from customer information to inform all staff who deal with customers.

Website analysis can allow the assessment of current performance of a site and identify key areas for improvement. Continuous data can also be provided by analysing consumers´ use of websites. Measurements of the areas of the site most frequently visited, how long each visitor spends seeking out information, which products are purchased and the payment method used can be made. Other measurements include how well the site loads on browsers, how well it downloads, whether it ranks within the top three pages on major search engines and the number of sites to which it is linked.

Ad hoc research is employed when an organization wishes to gain information when making a nonstandard or one-off decision. This could occur during the development of a new product, advertising development, corporate image surveys and customer satisfaction surveys. The findings of this type of research are usually presented as a formal report. As a result many managers associate this type of research as the main activity of a market research department. Although specialist one-off research reports may look impressive it is important not to underestimate the usefulness of the data produced through continuous research.

Ad hoc surveys are either custom-designed or omnibus studies. *Custom-designed studies* are based on the specific needs of the client. The research design is based on the research brief given to the marketing research agency or internal marketing researcher. Because they are tailor-made, such surveys can be expensive. The alternative is to use an *omnibus survey* in which space is bought on questionnaires for face-to-face or telephone interviews. The interview may cover many topics as the questionnaire space is bought by a number of clients who benefit

from cost sharing. Usually the type of information sought is relatively simple (e.g. awareness levels and ownership data). Often the survey will be based on demographically balanced samples of 1000-2000 adults.

13.3 RESEARCH METHODS

Secondary, often called desk research, and primary research are the two main categories of research data.

13.3.1 SECONDARY RESEARCH

Secondary data is information that is already available as it has been collected, and in some cases analysed, by other parties for reasons other than for use in the research project that is currently being undertaken. This type of data may be external information or it may be internally available within the organization. Normally, the first stage of any research project would be to search for secondary data before undertaking any primary research. Before using secondary data the researcher has to evaluate its relevance and reliability to the research project being undertaken. Secondary data can be obtained from a number of sources (see Table 13-3). (Drummond and Ensor, 2005, p.52)

Table 13-3: Selected sources of secondary research data

Information domain	Information source	
External	Newspapers	Trade association reports
	Books	Commercial research agencies
	Academic journals	Directories and indexes
	Conference proceedings	Government statistics and reports
	Company reports	Etc.
Internal	Sales reports	Stock records
	Payment records	Etc.
	Research reports	

Source: Drummond and Ensor (2005, p. 54)

13.3.2 PRIMARY RESEARCH

Secondary research may have provided some useful data but it is likely that there will be gaps in this information which an organization will need to fill by undertaking some primary research. Primary research, sometimes referred to as field research, involves the organization directly undertaking, or commissioning a research company to specifically undertake a piece of research. A range of approaches to carrying out primary research is available to an organization. These research methods fall into two key categories, qualitative and quantitative. (Drummond and Ensor, 2005, p. 53-57)

Primary qualitative research

Qualitative research at a basic level could be described as the collection, analysis and interpretation of data obtained by studying the behaviour and language displayed by individuals in a particular situation. The key aim of qualitative research is to provide a rich insight into the perceptions, attitudes and motivations of consumers. Unlike quantitative research, qualitative techniques do not provide large sets of numerated data that can be statistically tested for their

reliability and validity. However, qualitative techniques do provide highly sophisticated and subtle insights into the phenomena being studied. A number of techniques are available to the researcher in undertaking a qualitative study. Each will now be discussed in detail below.

- *Depth interviews:* This is a popular method of qualitative research and involves structured or semi-structured interviews that are normally around an hour long. The interviews are generally confidential in nature, undertaken face to face and respondents are encouraged to talk openly about the topic under discussion. The interview would normally be audio recorded so that a full transcript can be typed after the session has ended. The advantage of a depth interview is that the respondent is not influenced by other individuals, as can happen in focus groups. This type of interview also allows a deeper discussion to take place on a particular topic. The key disadvantage is that normally a series of interviews with a range of individuals would need to be undertaken and that can be a costly process, both in terms of time and money. The choice of the individuals to interview will be based on their fit with the consumer profile for a particular product or service.

- *Focus group discussions:* Focus groups are made up of six to eight respondents who undertake an unstructured or semi-structured discussion facilitated by the researcher who acts as moderator. These discussions have traditionally taken place face to face although Internet discussions are becoming more common. Once again the discussion is audio recorded and sometimes videoed. The researcher normally has a list of issues, relating to the overall focus of the research, that they wish to have discussed by the group, but the aim is to give as much freedom to the group as possible in order that they can discuss the issues that they deem to be important. A variety of creative stimuli materials are used within these groups, including cartoons, pictures, words and brand maps. One of the most common types is the **collage or mood board,** which is made up from scrap art taken from a wide variety of magazines and newspapers. It is used to explore variety of themes, such as user lifestyles, occasion usage and so on (see figure below the text). Analysis of these discussions should allow a researcher to identify the beliefs, attitudes, motivations, behaviours and preferences of the respondents and thereby gain a detailed understanding of the organization´s consumers.

- *Expert consultation:* Although much qualitative research is focused on the actual consumer, an alternative approach is to interview individuals with relevant expert knowledge. Various types of expert can be found in the academic community, financial services or the specialist press. Although they may not be a direct consumer of a particular product or service, they can be a rich source of specialist background knowledge. Experts may also be able to provide a valuable perspective on possible future developments in a product or service area.

- *Observation:* Observation is a qualitative technique that finds its roots in the social anthropological approach of studying a society over periods of months or years. Consumer researchers employ a similar approach in taking detailed observations of consumers, however, normally their observations are taken over relatively shorter periods of time. This technique can be employed to find out how consumers behave in a particular retail store, allowing the researcher to build up a picture of what factors may be affecting customers´ purchase decisions. A number of observation methods can be employed including direct observation by the researcher, video recording and electronic monitoring of traffic in supermarket aisles.

Figure 13-1: Simple mood board showing different eating experiences and occasions
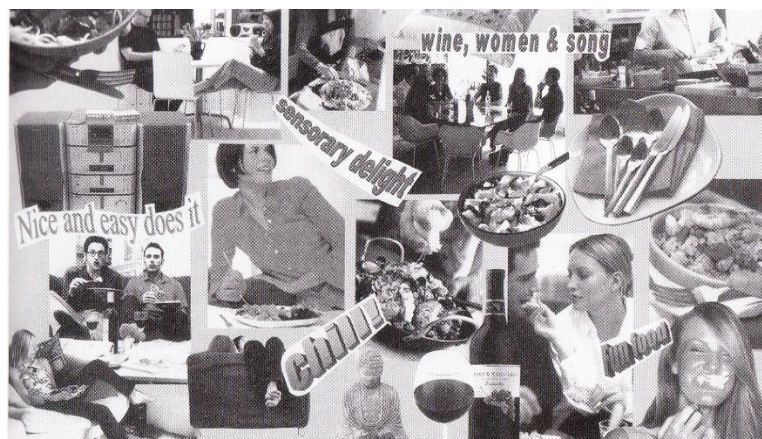
Source: Smith and Zook (2012, p. 145)

Consumers (respondents) are not always able and willing to express themselves freely. They are not always honest in their responses. They suffer from all sorts of biases (social desirability) or they might be simply reluctant to disclose, for fear of embarrassment or retribution. A class of techniques known as "projective techniques", provide a way how to gain the responses in the case of mentioned situations. These techniques encourage or enable participant to spontaneously express thoughts and feelings without any fear of repercussions such as embarrassment or retribution. Projective techniques have their roots in psychoanalysis, developed by Sigmund Freud in 1900s. His giant contribution was to point out the existence of the unconscious. In the 1940s, Ernest Ditcher imported this idea into marketing research and established what was then called "motivation research". Contemporary qualitative research now realises the limitation of motivation research and has evolved to capture only the best its qualities. (Ang, 2015, p. 46-47)

According to Ang (2015, p. 47) there are five different kinds of projective techniques, which can be used either singly or in combination:

- **Association** (words and pictures association, thought or speech bubble completion, metaphor elicitation and obituary writing).
- **Completion** (sentence completion, for example: Porsche drivers are…… I think solar energy is …..).
- **Construction** (projective questioning, stereotype imagery and shopping list completion).
- **Expression** (psychodrama and role-playing).
- **Choice or ordering** (timelines and ordering by degree of intensity).

Primary quantitative research

Quantitative research focuses on gathering data that is quantifiable and some would argue, therefore unlike qualitative research in that it is less open to interpretation. Quantitative data includes information available through secondary sources, such as, market size, market share, sales figures (see Table 13-4). However, not all information is available through these sources and in that case primary research has to be undertaken. In these circumstances the majority of organizations will collect quantitative data through questionnaire-based surveys.

There are a number of approaches available to a researcher in carrying out a survey. These are:

- *Face to face interviews:* In the case of a survey, a structured interview is undertaken employing a standard questionnaire that is administered to every respondent in the same way. Therefore the wording, layout and order of the questions is rigorously adhered to by the interviewer. This approach means that a large number of respondents can be interviewed in a relatively short period of time. The questionnaire is designed in such a way that the respondent has to make a choice from a limited number of prescribed answers to any specific question. Once the survey is complete a statistical analysis of the respondent´s replies is undertaken based on a numeric coding of each of the prescribed answers contained on the questionnaire. It is therefore critical that the questionnaire is designed and tested in such a way as to ensure that the respondents actually interpret the questions being asked in a manner consistent with the researcher´s intentions and the respondents´ answers are not overly constrained by the limited range of answers from which they are allowed to make a choice. A weakness of this approach can therefore be an inappropriately designed questionnaire.

- *Telephone interviews:* Telephone interviews are less expensive than some other methods and provide a mechanism to collect information quickly. Participation is more likely if a limited amount on information is sought from the respondent. However, there are problems with this approach. Most respondents would be reluctant to supply personal details to an unknown researcher over the phone. The sample is likely to show some bias as only individuals listed in a telephone directory can be contacted. The sample may be further biased by only including those individuals who actually respond.

- *Postal surveys:* Postal questionnaires offer the advantage of speed, extensive distribution and relative inexpense and can be used for any size of sample. Where respondents can be ensured of anonymity these methods can produce candid replies, eliminating the potential of bias associated with surveys undertaken using personal interviews. However, there are a number of problems linked with this method. Postal surveys often have quite high non-response rates, especially with longer questionnaires. There can also be a problem with ambiguity, unless very straightforward questions are asked, or questions are framed in such a way that they offer respondents the choice between highly polarized positions.

- *Electronic surveys:* The questionnaire can be circulated by e-mail. This provides a very low cost method of disseminating a survey. This approach has the added advantage that it can be more interactive than a traditional mail survey. Prompts on the questionnaire can provide the respondents with detailed clarification on particular points. However, there are some disadvantages with Internet surveys. The results may be skewed by the fact that Internet users are generally found among more affluent consumers and in younger age groups. The fact that an individual´s e-mail address is attached to any returned e-mail questionnaire destroys their anonymity and therefore created reservations about the reliability of their responses on personal issues.

Table 13-4: The essential differences between qualitative and quantitative research
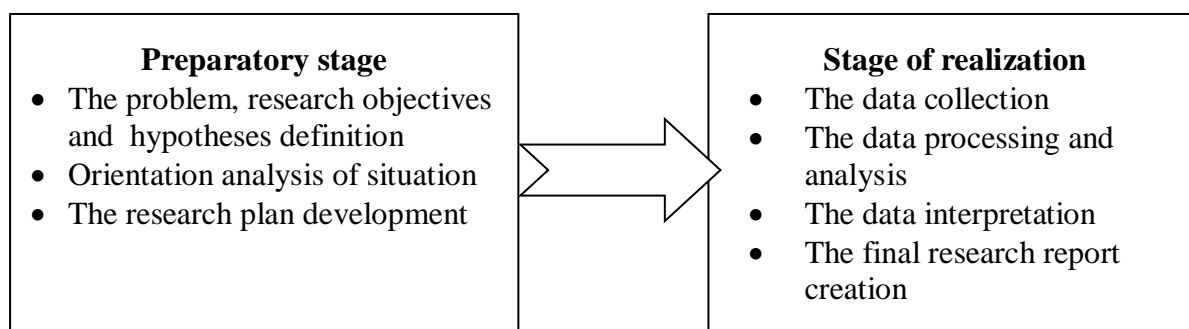
	Qualitative research	**Quantitative research**
Focus	Verbal data	Numerical data
Research purpose and outcome	Rich, in-depth insights	Broad generalizations
Research means	Focus groups or depth interviews	Structured questionnaires
Operation	High flexibility in data collection	Low flexibility in data collection
Data capture	Audio recording requiring post-coding	Pre-coded response categories on structured questionnaire
Sampling	Small samples	Large samples
Analysis	Content analysis of respondent statements from audio recording	Statistical analysis of pre-coded responses from a structured questionnaire
Reporting	Underlying themes illustrated by quotes from respondents, summary statements	Statistical, e.g. percentages, tables, graphs, statistical inferences and estimates

Source: Jobber (2010, p. 246)

13.3.3 STAGES IN THE MARKETING RESEARCH PROCESS

In undertaking research project there are a number of distinct stages that should be followed, as outlined in Figure 13-2. Each of these stages will be discussed.

Figure 13-2: The market research process

Preparatory stage
- The problem, research objectives and hypotheses definition
- Orientation analysis of situation
- The research plan development

Stage of realization
- The data collection
- The data processing and analysis
- The data interpretation
- The final research report creation

Source: own formation according to Kozel (2006, p. 71)

13.3.4 PSYCHO-PHYSIOLOGICAL METHODS OF MARKETING COMMUNICATION TESTING

There are many methods and each has its strengths and weaknesses. The following text discusses five psycho-physiological methods used in marketing communication, especially advertising: (Ang, 2015, p. 335-336)

- ***Electroencephalography (EEG):*** One psycho-physiological method that is increasing popular is electroencephalography. The brain is made up of millions of brain cells called neurons. Neurochemical changes in these cells can be detected in minute electrical activities. EEG detects changes in their firing activity across the scalp, by wearing an EEG cap and using hardware that can amplify these signals.
- ***Functional magnetic resonance imaging (fMRI):*** This method relies on changes that take place in the metabolic process of the brain when someone watches an ad. One version of fMRI relies on the changes in the oxygenated blood flow to the local area of the brain when that area is active. This is detected by looking for changes in the magnetic properties in the area.

- *Galvanic skin response (GSR):* It measures the arousal state of a person. Since our skin is a good conductor of electric current, it is possible to assess how well a small electric current is being conducted between two electrodes on the skin, usually measured at the fingertips of palm. Since our sweat glands are directly connected to our nervous system, any changes in our arousal level are quickly registered in our sweat glands, which then influence the conductance level of the skin – the greater the arousal, the greater the electrical conductance between the two electrodes.
- *Facial coding and facial electromyography (facial EMG):* Facial coding involves examining the facial expressions of a person in order to gauge how they are feeling as they watch the ad. Using a scheme called the "Facial Coding Action System", researchers can deduce which of the six basic emotions a person is feeling. By analysing which facial muscles are contracting simultaneously, it is possible to detect which of the six basic emotions of joy, sadness, surprise, anger, disgust and fear a viewer is experiencing.
- *Eye-tracking (ET):* Research shows that our eyes do not move smoothly over a scene but rather dart around. At points of interest in a scene, our eyes stop for a fraction of a second (about 200-300 millisecond) as they take in the information. Such fixations can be aggregated across people to obtain heat maps. It is an objective way of assessing which parts of the ad are creating interest, on the assumption that we look at what we are interested in.

Table 13-5: Advantages and disadvantages of psycho-physiological methods

METHOD	ADVANTAGE	DISADVANTAGE
fMRI	It has spatial resolution (1-3 mm) and can provide information about which deep structure of the brain is activated while a person is watching the ad. Since we know which part of the brain is responsible for each emotional state, this allows us to infer which emotional state is being activated by certain scenes.	It has poor time resolution (5-8 seconds) compared to EEG, making it more difficult to time-lock the quick changes in the ad scenes with changes in blood flow. It is also the most expensive method because of the sophistication of the equipment. A high level of expertise is also needed to interpret the data. It is better suited to measuring stationary stimuli such as logos and packaging.
EEG	It has high time resolution, meaning that it can detect changes in firing activities of the neurons in the order of milliseconds. By time-locking this to changes in ad scenes, researchers can infer which scene: is being encoded into long term memory, is personally relevant, is inducing approach or avoidance tendencies, is eliciting active attention.	There is large amount of noise in the data, which requires "cleaning up" using a mathematical algorithm. One form of EEG, called "Steady State Topography", has a higher signal-to-noise ration and can be used to monitor changes in brainwawes.
GSR	This technology has been around for a long time. It is easy to set up and measure, requiring only two electrodes on the hand.	It measures arousal but does not measure valence. It must be used in conjunction with other methods.
Facial coding and facial EMG	This can capture changes in specific emotions triggered by specific scenes in the ad, which the other methods cannot.	Facial coding, which relies on human coders, does not have the precision to time-lock which ad scene is responsible for generating the specific emotions. Facial EMG can achieve this, but it is intrusive since the electrodes have to be placed on the face.
ET	It allows us to know which parts of the ad the person is watching. By examining patterns of fixation, researcher can infer which part of ad arouses the person´s interest.	Examining eye movement only reveals if there is visual contact and hence interest. It does not tell us how a person is feeling which viewing the ad.

Source: Ang (2015, p. 337)

Each of these methods has its pros and cons, summarised in Table 13-5. Although psycho-physiological methods have many advantages, they can also suffer from difficulties in interpretation. Each psycho-physiological method has its own limitations, but some market research companies are combining different methods to compensate for them. Of course, more than one method can be used in combination.

14 INTERNATIONAL MARKETING COMMUNICATIONS

International marketing is exercising business activities allocated to planning, pricing, promotion and management of production flow from the company to its customers in more than one country, for profit. However the notion of more than one country includes a plethora of pitfalls hiding in different approaches and variables that managers need to consider. (Cateora and Graham, 2007) The company must adapt itself to different environment (cultural, political, social, legislative, etc.) and adapt its marketing mix accordingly. International marketing can also be characterized as a management strategy to facilitate and speed up exchange relations of goods and services realized across national borders. (Vaštíková, 2009) Machková (2006) divides the international marketing into 3 branches: **export, global and intercultural.** We will focus on global and intercultural perspectives.

Whenever intercultural and global marketing is mentioned it is also necessary to take into account standardization and adaptation. Historically, these terms developed in the following way. In the 70s of the 20th century marketers argued whether adaptation or standardization was better in marketing segmentation. In the 80s the debate moved on to the issue of globalization versus localization and in the 90s to global integration versus the local responsibility. Currently the subject of the dispute lies in the fact whether the global convergence of consumer tastes makes room for global standardization of marketing mix (Cateora and Graham, 2007).

Standardization means that any customer will receive the same anytime and anywhere. At first standardization only concerned products, but it gradually spread to brand standardization which concerns the brand name, packaging and positioning of a company (Celer, 2010). In time even standardization of the whole marketing mix occurred, that means using the same product, the price, the place and promotion in all countries the company does business in. This approach, however, has the limitation of being ineffective in some countries. The theoretical approaches that mainly use standardization are global marketing and euro marketing.

Adaptation is used by companies holding the opinion that there is a lack of evidence of homogenization of needs, i.e. people have not created the global society and the differences still exist. Adaptation uses the typical characteristics of a market, adapts international operations and looks at marketing processes in various countries individually. Adapting the marketing mix to needs of every country brings higher costs, but also higher potential for the increased profit. Theoretical approaches for adaptation are intercultural and local marketing.

The question whether to do standardize or adapt marketing programs in each country is very common and there are numerous studies that argue in the favour of one or the other approach. The Table 12-1 summarizes general advantages of standardization compared to adaptation (Kauerová, Vaněk and Vilhamová, 2003).

For the **marketing communication** to be effective in an international environment, it is necessary to know the differences and understand how to adapt to these differences. Selection of communication tools will be affected by (Vaštíková, 2009):

- economic development of the country,
- social structure of the society and the influence of authority,
- country's literacy rate and education level,
- cultural environment (language, religion, ethics, morality),
- the degree of nationalism and national consciousness in the country,
- attitude to risk and attitude to health,
- coverage of country's media,

- independence of mass media on the state,
- legislative restrictions of forms of marketing communication,
- international acceptance of brand names,
- image of the country of origin of goods.

In every country, each of the factors has a different weight depending on the level of socio-economic development. Regarding **economic development,** huge differences can be seen even within the EU. Disposable income will certainly differ in Germany and Romania, according to that the preferred products and brands will be different. But different is also the ratio of funds issued by each culture for food, electronics, housing, etc. Often, the conditions vary even within a country. For example if we compare the north and south of Spain, countryside and big city of Barcelona. For each of these customers it is necessary to create a different communication strategy.

Socio-cultural factors affect communication perhaps the most. Many European countries boast that they are a multicultural society. An example might be Germany, which claimed to be a multicultural country with no cultural problems. In recent years, everyone including the Chancellor Merkel acknowledged significant problems. Even the USA, which is often referred to as the 'melting pot', has more and more problems with cultural differences (Hispanic, Arab terrorists, Asian Mafia, etc.). All this must be taken into account by marketer when creating communication campaign.

Legislative restrictions are next most common problem. Looking for example at the EU as a single market with common rules in some sensitive issues, many differences can be seen. Czech Republic regulates only the areas that it must (drugs, tobacco products). In contrast, Nordic countries regulate everything associated with alcohol. The stricted regulation can be found in Finland, where the state has monopoly on the sale of alcoholic beverages and advertising must not show even a beer (Přikrylová and Jahodová, 2010). An obstacle for enterprise can be a different local regulation within the Federation (Germany). The usual legislative restrictions apply to:

- advertisement aimed at children or children-oriented,
- comparative advertising,
- regulation of advertising of pharmaceuticals, medical supplies and pharmacies (for example, in CR pharmacies are not allowed to advertise themselves),
- the prohibition or regulation of advertising of tobacco, alcohol and drugs,
- control or self-control of advertising of food,
- control of outdoor advertising, mostly billboards (for example the ban in Italy),
- constraints on gifts, lotteries, competitions and other sales promotion,
- obligations of the official language used in advertising, instructions for use and in further marketing communication,
- ethical codes of communication (such as the need for self-regulation).

14.1 THE PROCESS OF CREATION OF INTERNATIONAL MARKETING COMMUNICATION CAMPAIGN

If an enterprise wants to design and implement an effective marketing campaign, it should first define what impression it wants to invoke. Therefore, the communication campaign must always be preceded by research and planning. These phases cannot be underestimated, as it often happens. The most successful campaigns are carefully designed according to the survey,

thought out through and focused even on the smallest details. Planning begins with the understanding of the enterprise position in the market and ends with details such as styling of the advertising. Planning should include understanding customer's values, lifestyle, needs and purchasing behaviour, because consumers often say one thing and do something else entirely. It is also necessary to monitor the environment of the enterprise. The current time requires not only innovation in products, but also innovation in communication methods and business practices. Many new procedures were brought with the development of Internet and new technologies.

The goals that the enterprise has for a specific segment of foreign customers, determines what will be the company's communication strategy towards them. An enterprise can implement international marketing campaign by proceeding with the following steps of a model by Vaštíková (2009):

- Detecting and evaluating the differences between domestic and foreign market and all its relevant factors.
- Choice of customers segment and creation of a profile of each target group of customers for each market segment (for each country).
- Evaluating which advantages and features of the offered products or services are to be promoted. Selection of these special factors, which will be the content of communication messages, must be made for each market segment.
- Setting the budget for the communication strategy. Elaborated are several variants depending on the strategic use of communication tools.
- Create a basic communication message (advertising slogan), which should be universal in the market for all media. This communication should be both, based on the primary goals of the enterprise as well as match the requirements of the target customer segment.
- Selection of: the optimal communication strategy, shares of the communication mix tools (media), the timetable for the entire communication campaign.
- Selection of advertising agency (either large international with branches in many countries or local).
- Implementation of the chosen communication strategy in the chosen market.
- Evaluation of efficiency and control of deviations in results of the whole communication strategy according to predetermined and quantified objectives and criteria.
- When there are deviations observed in comparison to presumption or changes in any of the input factors, enterprise should return back to the first step of this model.

14.2 SPECIFICS OF SELECTED TOOLS OF INTERNATIONAL MARKETING COMMUNICATION

Advertising is the most visible form of marketing communication that the enterprise performs. Advertising has undergone many changes during its development. Today's consumer is fed up with all of its forms, so enterprises try not to produce only simple ads that just list the arguments of why should the customer buy the product or service, they try to tell stories in their commercials, i.e. focus advertising on emotions. Basic types of advertising according to Kotler et al. (2007):

- **Consumer advertising** - it is a basic type of advertising that serves to support the product, brand or company. In the long term focuses on all segments simultaneously (e.g. the whole nation, all readers, etc.). An example could be a nationwide campaign supporting the entry of new clothing brand on the Czech market.

- **Retail advertising** - is aimed at promoting retail, or individual business stores where a customer can buy the product or service. Usually it is regionally restricted. An example would be leaflets distributed into mailboxes. For such a campaign it would be appropriate to use geomarketing, which gives retailers a clear idea of which part of town has the highest number of customers and where to focus advertising.
- **Corporate advertising** - it is non-product advertising, which presents the enterprise. The aim is to increase the acquaintance of the enterprise and build its image, which is very similar to the purpose of PR. An example is the advertising of ČEZ.
- **Emotional advertising** – is trying to induce customer's imagination and feelings rather than thoughts. These impulses are more interesting, easier to follow and easier to recall than arguments. To invoke emotions enterprises use humour, music, erotica, fear, warmth, etc.
- **Political advertising** - it is a type of advertising, which always takes place during the election campaign or before the referendum. Its goal is to convince voters (customers) to elect the party or change his opinion about something ('buy the service'). An example would be a campaign to promote the accession to the EU.
- **Order advertising** – is a form of advertising, which calls for immediate purchase by the customer. This stimulates short sales. An example would be a campaign during the entry of an enterprise in a foreign market, which would encourage customers to purchase for a discount price during the first fourteen days.
- **B2B advertising** - focuses on the industrial market. It is much more professional and spreads through different media. It does not use emotional appeals, but purely economic arguments. An example would be the advertising of an enterprise through Google ad words for other companies.
- **Social advertising** – is a special type of ad with a goal to do something 'good'. Often it is a warning of war, famine, disease in the Third World, or a collection of funds for the handicapped, etc. An example would be a campaign 'Nemyslíš, zaplatíš'.

Another specific feature of international advertising is the use of colour, because it obviously has different meanings in different countries. A huge mistake can be made during the design of packaging, logos, corporate colours, etc. An example might be industrial machinery, where one of the biggest players is Caterpillar. All its machines are yellow. Therefore, when company Daf entered the market in Saudi Arabia with its orange products, it was not successful until their machines were repainted in yellow, and customers started to take it seriously. Another well-known example of how an enterprise can be mistaken in colours is the colour representing death. Compare: Western Europe - black, Southeast Asia - white, Brazil - purple, Mexico – yellow (Pelsmacker, Geuens and Bergh, 2003).

Sales promotion

Sales promotion is also an impersonal form of communication, but only short term. It tries to convince the customer for immediate purchase. Sales promotion can be targeted on the end customer (consumer promotion) directly at the point of sale (POP/POS), to companies operating in the commercial market (business promotion) or business intermediaries (trade promotion). (Machková, 2009)

Examples of some restrictions are humorous. For example, in the Czech Republic favourite 'bundles' (toothpaste and toothbrush for only CZK 99) are not subject to any regulation. However, in Denmark, Finland and France, customer must be able to buy the products separately, and in Austria and Poland the products bundled together must even be

related (it cannot be a toothpaste and a CD package). A similar case is also with the bonus products that are packed together with the main product (for each pot, set of knives for free). CR again has no regulation in this area, but in Spain, the bonus product must not be able to convince the customer about the suitability of the purchase, in Belgium it can only have a value of up to 5% of the main product, in Italy an enterprise must have permission from the Ministry of Finance, in Holland the customer may even require 50% of the value of the bonus product in cash instead. (Matušínská, 2007)

Personal selling abroad

Many international marketers are often shocked when confronted with a range of factors complicating their business efforts. Personal contact is greatly influenced by the habits and values that are common in each country. Business meeting can be very short informal process or a lengthy formal act lasting weeks. Part of the negotiation is very often a series of informal meetings where participants are making sure that supply and demand came from the party that they can trust. The actual negotiations should follow the following recommendations (Budirský, Lepková and Hamada, 1997):

- It is advisable to use local experts who will support the negotiating team. In this way the different expectations and customer`s behaviour gets the proper attention of both parties. Observations of behaviour may serve as a suitable learning method.
- Negotiator should take into account local traditions and customs in the trade negotiations. A typical example would be a clash of American culture with Korean culture, a very informal meeting and formal society, where people show great respect for age and position.
- It would be ideal if the negotiator was able to speak the local language. If possible, it is necessary to use interpreters to translate the hidden meanings of communication. For example silence is a negative sign for the Americans, while for Japanese traders it is an attempt to extend the negotiation and reduce the price.
- The negotiator must be patient, because the act of negotiation may take much longer, unlike in the domestic country. A sign of impatience in a country like Brazil or Thailand means the loss of a contract extension or additional negotiations. Negotiation serves the purpose of establishing long-term contacts, it is not just a one-time activity.
- Ethical conduct can vary greatly. In some countries, negotiator must be guile, and in some it is a reason for the suspension of negotiations. For example, in negotiations with Russian partners, one should be prepared for last-minute changes.
- It is highly recommended to become familiar with local law. In some countries there is still no need to enter into written legal contacts.

14.3 MARKETING COMMUNICATION IN GERMANY

To show how different can the communication be on an international level, it is not necessary to travel far, because great example is our western neighbour, Germany (the Federal Republic of Germany). It forms, along with Austria and Switzerland, a group of European countries, whose main language is German. Members of this group are characterized as unapproachable and distrustful. These Germanic nations are typically punctual, tactful and precise. These features are common to all three nations which emphasize them greatly, even though these countries vary in their different culture and life philosophy. The great virtue of the Germans is their tolerance, i.e. they get along well with others. Advertising in Germany uses a very serious and structured style. The use of emotional appeals is not frequent, although foreign companies promote this style of advertising. Detailed visual processing is often used, even with a demonstration of product function (Buchtová and Pokorný, 2004). Advertising is subject to

strict regulation and also various media are regulated. An example would be complete ban of the billboards around the highways (Karlíček and Král, 2011).

The negotiation of a business meeting is usually in written form. If the Czech negotiator does not know perfect German (including stylization), it is good for both sides to communicate in a foreign language (e.g. English). According to Průcha (2010), the foreign language removes the asymmetric communication and neither party will have a disadvantage. At the business meeting it is recommended to constantly be formal and reserved, arrive at time and follow the formal structure of the meeting. This formality may not be well perceived by Czechs, however, they must adapt. Both sides are expected to have detailed prepared materials, any uncertainty or improvisation is a manifestation of unpreparedness. Authoritative gestures are not allowed. During the negotiations, one must take into account also the origin of the partner, because as mentioned by Zeidenitz and Barkow (2009), former West Germans (the so-called Wessies) argue that former East Germans (the so-called Ossies) are lazy and swearing, while the East Germans think about the West that they are cynical and cheating. Czech communication strategy is by Germans considered indirect and cautious. Czechs express dissatisfaction indirectly, more by means of non-verbal communication and by limiting the communication. Negotiations often take place during a business lunch or dinner. But the actual negotiations take place before or after meals. This shift to certain informality can be seen as an adaptation of Germans to the habits of the world and it is appropriate to choose topics that will not offend, but show interest in the partner (sports, career, environment). If the meeting takes place at partners home, it is advisable to bring a small gift from our country or a bottle of wine, expensive gifts can embarrass. (Buchtová and Pokorný, 2004)

14.4 MARKETING COMMUNICATION IN ITALY

Italians speak a lot. Good communication is loquacious and voluble. In order to convey a strongly felt point, it is important to use all possible powers of rhetoric to sway the listener. Debate is an emotional issue where emphasis is highlighted through increased resort to emotionalism. Reserve or business detachment can be interpreted as signs of disinterest rather than professionalism.[78]

Italians are often guided by their feelings and trust is very important in establishing a good business relationship. During a meeting, try not to create a sense of urgency since this can appear rude or a weakness. You should make small talk and demonstrate your interest in Italian food, art, fashion or sports.

According to a popular joke, to stop an Italian talking just block his/her hands. Italians, in fact, tend to gesture to emphasize their speech. They are also very tactile: upon meeting and leaving, embraces and "kisses" are common between close friends and relatives.

Eye contact is vital because it is considered to be a sign of interest, openness and frankness. On the other hand, looking away is not appropriate and would send negative signals.

Business cards can be exchanged at any time during a meeting. Italian business cards normally contain all important business information including: contact details, business position, education degree and/or professional titles.

Sometimes, such titles are crossed out when the card is handed over. This is to indicate that a less formal relationship has been established and the formal title is not required when addressing your Italian partner.

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[78] Globalbusinessculture: Italian Communication Styles [online]. [cit. 26th August 2017]. Available at: https://www.worldbusinessculture.com/country-profiles/italy/communication-styles/

The average language competence level of Italians is below EU standards, especially among the older generation. Currently, English is the most used foreign language. English, French, and German are frequently spoken in tourist resorts as, in these areas Italians are obliged to communicate with foreigners in order to conduct their business.

German is widespread in some areas, in particular in the north-east regions. The use of a professional translator is widespread among businessmen.

Italians, generally establish relaxed personal relationships, often from the very first acquaintance. They also tend to be eloquent and curious. Questions about you, your family and your personal interests are all possible topics of conversation. Be aware, however, that this does not necessarily mean that you and your business have gained their trust. In fact, during the earlier contacts, the establishment of trust in a business relationship is as relevant as the presentation of a business project.

Italian companies tend to have a pyramidal hierarchy; final decisions are centralised and taken by the persons positioned in the upper levels of the pyramid. Employees also have a great respect for their bosses and they tend to look for consensus with their colleagues.

Meetings are one of the best ways to get a deeper and common understanding of an issue rather than being the conclusive part of a decision making process. In this sense, meetings are more analysis-oriented than decision-oriented.[79]

Italy is slightly behind the European average when it comes to internet penetration and online purchases; however, it is a market full of opportunity and one steadily growing. Italy has nearly 60 million inhabitants, but only 63 % of them are online. Investment in technology has been lacking in the past, but it's currently increasing. Social media are very popular in Italy and among the biggest ones such as Facebook and WhatsApp, Instagram in particular offers a lot of opportunities for digital marketers. Italians mainly access social networks from their phone, and mobile is extremely popular in the country, as 62 % of people own a smartphone. Unfortunately, responsive design is not as implemented as it should be, and this can result in strong penalisations.

Figures associated with Italian ecommerce are at 38 % compared to a European average of 40 %, but they are regularly increasing. When it comes to buying online, Italians add prepaid cards to the list of the most popular international payment methods. This is mainly due to distrust for the safety of online payments and the worry of card details being shared or accessed by unwanted sources. It's interesting to notice that Italian businesses tend to operate online on international platforms such as Amazon and eBay, instead of creating their own website. Not only this, but Italians are big fans of the Omni channel formula, which combines the physical experience of looking for products in shops with the online experience of researching on multiple platforms and finally completing the purchase on the one with the best offer.

Apart from online, card payments are not very popular in Italy, and when buying in shops people still prefer to make cash payments. It's important to be aware of the preferred delivery methods too, as the Italian postal service is often not reliable, especially with packages from abroad; private couriers are the best choice, especially when sending items of value.

Italians prefer to read online content written in their native language over accessing pages written in English; this means that any content you have written in another language needs to be translated, localised, and checked by a native speaker. Italians don't like excessive formality, so an informal tone is preferred when addressing your online audience. In the case of young customers, humour is also popular, as are some key English expressions.

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[79] Businessculture: Business communication [online]. [cit. 26th August 2017]. Available at: http://businessculture.org/southern-europe/business-culture-in-italy/business-communication-in-italy/

The Italian culture is full of all kinds of images, many of which are also used in advertising and in marketing. It is important to be aware of what these are, together with their connotations, as using the wrong one risk hindering your campaign.[80]

14.5 MARKETING COMMUNICATION IN FRANCE

The way in which you say something in France is almost as important as what is actually said.

There is a great love of and respect for elegance in the use of language and the sophisticated presentation of ideas is raised to an art form. A sense of national pride makes it difficult to listen to the language being spoken badly (or even worse to have to read poorly constructed French!). If you speak poor French, it may these days be better to do it in English.

Debate in France can often be seen as highly confrontational by those from a non-confrontational background. In France, the drawing of distinction is almost an intellectual goal – a goal which will help to move the process forward. Building on similarities is not seen as such a positive.

During discussions, interruptions will often occur, with other parties in the conversation joining in and emotions can seem to be running high. This animated, somewhat theatrical style is, again, viewed as conducive to reaching the end results.

The French admire the logical exposition of well-defined ideas and when listening can be heard making such comments as – 'it's not logical', which is a good indication that problems lie ahead. Such a comment might be more accurately interpreted as 'I don't see the logic of your argument, therefore I can't buy it.'

Written business French is extremely stylised and formal with an etiquette which can seem anachronistic in translation. However, it is important that anything sent in writing is rigorously checked, as the ability to produce correct written language is seen as a sign of intelligence and good education.[81]

14.6 MARKETING COMMUNICATION IN JAPAN

Of all the aspects of dealing with the Japanese, the ones which probably cause the biggest dilemmas concern communication difficulties.

Japanese communications are epitomised by subtlety and nuance, where how one appears and what one publicly states (tatemae) and what one really thinks (honne) are often poles apart. There is often a huge distance between the expressed tatemae and the felt honne — they can often even be contradictory.

The development of relationships in Japan is often dependent on people's ability to read the underlying truth which may underpin the spoken rhetoric. It can, of course, be very difficult for the non-Japanese to navigate these very confusing paradoxes. It is probably best to say that everything should be questioned in order to ensure that clear understanding has been achieved. Check back several times for clarification of anything that remains unclear.

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[80] Webcertain: How To Implement A Marketing Strategy For The Italian Market [online] [cit. 31st August 2017] Available at: http://blog.webcertain.com/how-to-implement-a-marketing-strategy-for-the-italian-market/13/03/2017/

[81] Globalbusinessculture: French Communication Styles [online]. [cit. 26th August 2017]. Available at: https://www.worldbusinessculture.com/country-profiles/france/business-communication-styles/

Communication difficulties are further compounded by the fact that few foreigners speak good Japanese and that levels of English in Japan are at best very patchy. Much of what is said by English speaking businessmen in cross-national meetings is simply not understood – or more worryingly misunderstood. The need for the clear and precise use of language is never greater than in such situations. The combination of Japanese vagueness and lack of comprehension leads to enormous problems which make problem-solving and decision-making very tortuous.

In times of stress or difficulty during a meeting, the Japanese will often resort to silence in order to release the tension in the room and allow people to move away from the area of difficulty. Unfortunately many westerners are extremely uncomfortable with silence in meetings and feel the need to fill the silence with more discussion over the issue the Japanese would rather avoid.

In addition, Japanese body language is very minimal, making it difficult for the untrained observer to read. The Japanese seem to be very still in meetings, sitting in a formal upright posture. It is rare for any reaction or emotion to be visible.[82]

14.7 SOCIAL MEDIA MARKETING IN DIFFERENT COUNTRIES: KEY DIFFERENCES

Facebook still dominates as leading social platform worldwide, in 2016 Facebook has 1.86 billion mostly active users! In the UK YouTube and Facebook are the most popular platforms among adults online.

Twitter is another social media platform used worldwide and there are differences in usage of the UK and the US. UK users tend to seek connection and conversation, 67 % of the posts samples was back and forth conversations with other users. Whereas 82 % of US users are more likely to retweet a friend or a celebrity.

It is interesting to see as both countries are westernised but still have some major differences. US users are more emotional and are likely to share things about feelings compared to people in the UK who are more reserved.

In Australia almost 60 % of users aged 14 and over are active on YouTube and Facebook, 25 % on Instagram, 23 % on Tumblr, 17.8 % on LinkedIn and more than 14% are active on Twitter.

Twitter is used the least amongst Australians compared to the US where it is the second most popular social platform for marketers and it is used highly in the UK too.

There is still a large amount of growth for the twitter market in Australia, but it hasn't caught on as much as in other countries and regions.

The Netherlands, Italy, Norway and the UK have some of the highest rates of social network usage in Western Europe, 69 % make regular visits to social platforms.

But France and Germany rank at the bottom of usage (55.7 %, 57.1 %). Research in Emarketer reveals that these countries have some privacy concerns and mistrust of companies like Facebook and Google. Also, German cultural norms are more conservative and users don't like to reveal as much personal information. Commonly Twitter isn't used as much by German users because of language barriers and an absence of national personalities embracing social media.

China is a good example of a country whose social activity is changing and growing. The country has made some restrictions and some top networks have been blocked. Weibo is said to be the Chinese equivalent of Facebook and twitter. This platform is commonly used by UK businesses to try and reach this market.

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[82] Globalbusinessculture: Japanese Communication Style [online]. [cit. 26th August 2017]. Available at: https://www.worldbusinessculture.com/country-profiles/japan/business-communication-styles/

As an international fashion marketing graduate it is interesting to see how businesses differentiate their and social strategies across different countries, in particular, the Chinese market.

Chinese internet users rely heavily on social media for information on fashion and new trends. Many Chinese consumers tend to do their shopping outside of the country; social media content is a great way of communicating with users, without them physically coming to store.

An example of a brand that has internationalised In China is Tommy Hilfiger. In May 2015 the American designer held his 30th-anniversary fashion show in Beijing and opened one of the largest stores in China. Content around the event led to a 2,000% increase in visits to the Tommy Hilfiger Weibo page, sales increased by 21% and its Chinese e-commerce business almost doubled. Social media networks are a great way to gain a foothold in other markets across the globe and to get engagement from internet users.

Many countries around the world have their own versions of fashion weeks and fashions are localised to specific areas. London is often seen to be experimental and inspired by the street, Whereas Paris more focused on couture and sophistication and Japan as technologically forward and innovative.

Online fashion retailer ASOS have got it right using when it comes to their digital platforms. They have no physical stores and have 8 million active users and ship to over 200 countries worldwide. They use all social media platforms to reach a wide audience and have made a huge success doing so. The brand did, however, fail to get the name off the ground and pulled its growth into the Chinese market this year.[83]

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[83] Foreverdigital: Social media marketing in different countries: key differences you need to know [online] [cit. 31st August 2017] Available at: https://www.foreverdigital.co.uk/social-media-marketing-different-countries-key-differences-need-know/

SUMMARY

Firstly, we would like to mention some quotes on marketing to demonstrate how effective implementation of marketing and marketing communication philosophy into business is inevitable and crucial today. *"Our jobs as marketers are to understand how the customer wants to buy and help them do so."* (Bryan Eisenberg) - *"Today it's important to be present, be relevant and add value."* (Nick Besbeas) - *"Good marketing makes the company look smart. Great marketing makes the customer feel smart."* (Joe Chernov) - *"Good marketers see consumers as complete human beings with all the dimensions real people have."* (Jonah Sachs) - *"The best marketing doesn't feel like marketing."* (Tom Fishburne)

The issue of marketing communication is very extensive. The authors´ aim was not to present an exhaustive overview of all approaches to the dynamically evolving field of marketing – marketing communication. But the main intent was to describe the basics of marketing communication in B2C market because then readers are able to study this issue by themselves. For this reason, the study material was divided into 14 chapters with the following content.

The first two chapters presented the theoretical basis of marketing communication. Chapters 3 to 9 described the elements of the marketing communication mix (advertising, sales promotion, personal sales, public relations, direct marketing, sponsoring and online marketing communication). There was introduction to current trends and alternative media of marketing communication in the chapter number 10. Chapters 11 to 13 included a description of planning and measurement of marketing communications performance, including issues of marketing communications agencies. The final chapter 14 dealt with different approaches to marketing communications on various international markets.

Marketing communication is a highly dynamic field of business and study. There are constantly new media concepts, communication techniques, legislative restrictions, new non-traditional media development etc. Therefore it is necessary to update continuously the knowledge gained from this study material by self-study. At the same time, the area of marketing communication represents a great variety of opinions, where many marketing communication issues are unambiguous and can be the subject of mutual discussion.

We hope that you enjoyed reading this study material and the information contained in it was useful and practical for your personal point of view, following studies or business.

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THE LIST OF ABBREVIATIONS

3D advertising	*Three-dimensional object to support sales*
AIDA	*Attention, Interest, Desire, Action*
AIDCA	*Attention, Interest, Desire, Credibility, Action*
AIDCAS	*Attention, Interest, Desire, Credibility, Action, Satisfaction*
ATL	*Above the line*
B2B	*Business to business – industrial market*
B2C	*Business to customer – consumer market*
BTL	*Below the line*
CAB	*Cognition, Affect, Behaviour*
CLV	*Citylights*
CPT	*Costs per thousand*
CSR	*Corporate social responsibility*
DIY agency	*Do-it-yourself agency*
DM	*Direct marketing*
DRTV	*Direct Response Television*
GRPs	*Gross rating points*
HR	*Human relations*
IMC	*Integrated marketing communication*
MC	*Marketing communication*
MLM	*Multilevel marketing*
PBR	*Pay-by-result*
POP/POS	*Point of purchase/Point of sale*
POPAI	*Point of Purchase Advertising International*
PR	*Public relations*
STP	*Segmenting, targeting, positioning*
T.I.R.E.A	*Thought, Interest, Risk, Engagement, Action*
TTL	*Through the line*
WoM	*Word of mouth*