



INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

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Marketing of Information Services**

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MARKETING OF INFORMATION SERVICES

This text is intended for students of information science and librarianship. It reviews the foundations of marketing with a focus on the specifics of marketing of information services. It develops a basic understanding of marketing processes and their application to students' own work in information institutions. The recommendations are useful for preparing students' own project. Particular attention is paid to the role of information specialists (graduate) in the marketing process. Marketing is mostly the daily practice based on a good plan and estimated possibilities, in which work with information is crucial. This text is a comprehensive teaching guide and not an exhaustive overview of marketing practices. It gives a framework of marketing activities and comes from references listed below and teaching experiences at the Institute of Information Studies and Librarianship, Faculty of Arts, Charles University in Prague, as well as from author's own practice.

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Chapter 1 – Marketing and marketing mix

Marketing (as a concept and as an activity) is associated with businesses. It is often confused with sales, advertising or market researches. However, marketing is a complex set of actions that leads to building long-term relationships with target customers and to meeting their needs. Marketing decides a success in a long term of any subject located in a competitive environment. Therefore, it may be applied not only to commercial products, but also to non-profit – both private and public – products.

We have been meeting marketing since the early 90 of the last century in the Czech Republic, in connection with the development of our market economy. However, the concept of marketing started to be used since the end of the World War II; although the principles on which it is based go back into the past. The last century also introduced the interest focused on marketing activities and developed a comprehensive approach to marketing activities.

The most commonly used definitions of marketing

- Marketing is a comprehensive system of measures that leads to a managed offer of the right product at the right time, to the right markets at the right price.
- Marketing is a management process that results in understanding, anticipating and influencing and ultimately satisfying customer's needs effectively and appropriately to ensure compliance with organizational goals.
- Marketing is a social and managerial process by which individuals and groups obtain what they need and want through the creation and exchange of products.

Basic concepts in marketing

As it is clear from above definitions, marketing is based on the concepts of **needs, wants and demand, market and exchange**.

The **needs** express the subjective feeling of lack. They are common to all human

beings and can be divided, although different authors use different layouts, into three basic categories:

- Physiological needs - warmth, security, food, facilities etc.
- Social needs - belonging to the group, emotional fulfilment etc.
- Individual needs - knowledge, self-realization and spiritual fulfilment etc.

EXERCISE 1

Describe some of particular needs in the hierarchy of human needs defined by the American psychologist Abraham Harold Maslow in 1943.

Maslow PYRAMID

1st level – physiological needs

2nd level – needs for security, security

3rd level – needs for love, acceptance, belonging

4th level – needs for recognition, respect

5th level – needs of fulfilment

If human needs are not met they may be tried to reduce or limit the need or to find a way to meet that need, often by acquiring a product or service. The **wants** express a desire to meet the needs in a particular form. Different people respond to their needs by different wants. Marketing works with influencing the wants, namely the specific ways to meet unmet needs.

The buyer goes through intellectual, emotional and behavioural action stages in order, as implied by the principle of **AIDA** (Awareness, Interest, Desire and Action). Sometimes this is described as a series of subsequent steps: recognition of the problem - finding information - evaluation of alternatives - a decision to purchase - evaluation after the purchase.

The **demand** represents the realization of the want via market exchange. The wish that we can afford and which culminates in a purchase is realized on the market. There's a conflict between wants and our purchasing power. Marketing is

trying to strengthen our desire so that we are willing to mobilize sufficient resources and implement our wants into demands. Thereafter, marketing theories distinct the purchasing behaviour among a first and only purchase, a repeated purchase or a modified re-purchase.

The **market** is the place where buyers and sellers meet. On the market there is a confrontation between supply and demand. Supply and demand interact. Most often we refer to markets where there is money to be exchanged and the result of a confrontation between a supply and a demand is a **price**.

Marketing mix

Marketing mix (4P) has been popularized by Philip Kotler. Marketing mix includes all the steps that the organization does to affect a demand; these steps are divided into four variables:

1. The **product** indicates not only the product or service itself (the core product), but also a range, a quality, design, packaging, an image of the manufacturer, a brand, a warranty, services and other factors that increase its value against the price. The concept of the product does not indicate only the product itself but may also indicate a service. In addition, it includes all services provided with the product.
2. The **price** is expressed in money for which the product is sold. It also includes discounts, terms and conditions of payment, refunds or credit options. Marketing uses price to cover the **expenses** of the seller and also to form a sufficient **return**, so that the product has a higher **value** than the **price** paid for the purchaser.
3. The **place** indicates where and how the product will be sold, including distribution channels, an access to distribution networks, sales ranges, supplies and transports.
4. **Promotion** says how consumers learn about the product (from direct sales through public relations and advertising to sales promotion).

Effective marketing mix combines variables so that the purchaser was given the maximum value and seller's marketing objectives were met.

Kotler in his recent publications indicates that to use marketing mix properly it must be seen not in terms of the seller, but from the perspective of the buyer (4C). The marketing mix will then be following:

- Product -> Customer Value; increasing the product value against the price paid by the buyer must be the forefront of the seller, esp. by adding specific attributes.
- Price ->Cost to the Customer; the seller takes into account all the expenses incurred by the buyer in connection with the purchase of the product and try to minimize them.
- Place -> Convenience; which means to look for easy and interesting ways to sell and also new distribution solutions.
- Promotion -> Communication; which means especially taking into account the feedback and create long-term relationships, most recently playing an important role in building communities and social networks.

Marketing mix (4P/4C) must always be preceded by strategic decisions regarding segmentation, targeting and product placement, as described in more details in a chapter devoted to target groups.

EXERCICE 2

Describe 4P and 4C differences on a selected product.

Marketing plan

To carry out marketing activities in practice, we use marketing management. Management is a content of another study text; but for now it is necessary to have some understanding of the basic phases of the marketing process:

- Planning (setting goals)
- Organization / Implementation
- Monitoring / Evaluation

Planning is the most important part of the process, but they all keep each other and interact. The plan is captured and expressed (usually in a writing form) process, how to get the best use of available **resources and tools** for achieving **goals** based on the initial situation.

Therefore a plan typically includes:

- Vision (summary, product description)
- Analyses (macro/micro environment, strengths/weaknesses, etc.)
- Marketing objectives (strategic/operational)
- Marketing strategy (layout of variables/instruments)
- Timetable
- Budget
- Evaluation

Product identification, analyses, objectives and strategies we will discuss in later chapters, therefore let's have a look on the schedule, budget and evaluation. The schedule refers to a specific timeframe, which will be implemented; the plan may be short time (approximately 6 months), medium time (1-3 years) or long time (more than 3 years). It is evident that mainly short and medium term plans are useful in marketing, but we must not neglect their compliance with long-term goals of the company or the institution. The budget determines the financial framework of the plan. It can be determined:

- Options method; measured by what the seller can absolutely afford.
- Amortized revenue expected from the seller; where the objective is to maintain a non-zero gain.
- Method of competitive equality; where costs roughly correspond to the expected costs of competition.
- Method of tasks and goals; when each phase of the plan is valued separately and successively evaluated with taking into account the real costs.

Finally the assessment or evaluation of the plan comes – which assess how we have managed to meet our goals. This can be both in relation to the tasks and

achievements, and/or together with re-examining the situation in the market and surrounding businesses or institutions.

The current stage of development of marketing is characterized by the following elements:

- dynamically growing importance of the internet for business and commerce,
- growing importance of customer segmentations, while a segmentation is an important criterion for understanding a customer behaviour and a customer database is an important tool,
- great attention is paid to the values rewarded by customer,
- the market share is substituted by the customers' share
- building a brand and brand management are increasingly important.

An information specialist's role in marketing

Marketing process brings a wide range of options for specialists in working with information, such as:

- Defining the vision of the product - abilities of an information specialist will assist in formulating the product framework and direction of the development of its values.
- Analyses – the information specialist dominates the number of analytical methods, which explores and defines the environment, respectively around the product.
- Marketing objectives - strategic objectives are the exclusive domain of management (in terms of management); the information specialist, however, apply the correction of operational objectives, depending on the current market situation.
- Marketing strategy - the choice of an appropriate strategy is critically dependent on the previous quality of analyses and their understanding.
- Schedule, budget, evaluation – the information specialist is always competent for comparative analyses with the already implemented plans and projections.

Each chapter will briefly mention the role of information specialists in particular.

Chapter 2 – Product

In marketing, everything that is one party willing to offer and another one to buy on the market we can understand as a product. Products are to be differentiated among products (material nature), services (unique intangible) and ideas (intangible relatively stable).

Czech law provides a product by Act No. 59/1998, on liability for defective products, as amended. The product is any movable thing which was manufactured, mined or otherwise obtained, irrespective of the degree of processing, and is intended for placing on the market. Products are also components and accessories, movable and immovable. The product is regarded also electricity i.e.

Services Licensing Act defines such, but which includes only the provision of services, repairs and maintenance, carriage of persons and goods, travel agencies, accommodation, catering, pawn shops and other work to meet other needs. Excluded are the businesses under special laws, with special supervisory authority, thus most of the activities that fall outside the scope of trade law (e.g. advocacy, medical services, insurance services, brokerage houses, etc.). The result of the implementation of the service is usually the current change in a buyer's situation, which is not transferable.

Important (for marketing) is that, unlike the product the services have some specific characteristics. The service is tied to the provider by:

- Quality (the same service will be realized by various providers differently)
- Locally (it can not be distributed without the direct participation of the provider)
- Time (it can not be stored).

As the idea we classify the intangible nature of such products, although they have unique authorship and are often on the ground (patent) protected, whose further applications by other entities is not excluded and will not affect the nature of the product. We, therefore, can include ideas, but also persons and

places; their marketing use is broader than immediate consumption linked to the provider.

A special product is a brand that increases the value of other products of the original provider.

Information services are specific; they are on the interface of services and ideas. First, they are tied to the provider (e.g. library services, information centres), but also the application of information obtained and further work with them is not excluded, whether the original service protected or not.

For information professionals this means treating information as services, because they are intangible and tied to them; however, the effect of such services may also be used not only for current consumption, and therefore it must be adequately protected. Information specialists are well versed in issues of copyright and patent rights, and they are able to incorporate these aspects into marketing strategies.

From the marketing point of view we see each product in three levels:

- Core product - the product itself without additional attributes
- Real product - includes attributes tied directly to the product, namely design, quality, packaging, brand, etc.
- Extended product - including extra special services that turn into sales promotion, such as warranty, maintenance and services, counselling, payment terms, etc.

The success of the product on the market is closely associated with his acquaintance and distinction from competitors. The **brand** is a product name, symbol, artistic expression, or a combination of previous elements. Its purpose is to distinguish products. The legal concept of the brand is associated with a trademark registration that certifies the origin of the product and has no time limit. From a consumer point of view brand can increase user satisfaction and better transmission of information about the product. From the perspective of the company brand enhances the efficiency and effectiveness of marketing activities

and allows obtaining an advantage over competitors. Its value is determined by the brand awareness, brand loyalty, perceived quality and brand associations linked.

The **design** is generally used to describe the appearance or shape of an object, based on the alignment of functionality, aesthetics and ergonomics. Given the nature of the material in terms of marketing a product is used in particular in connection with them. Consistency of these components works not only visually, but also increases functionality and comfort of products. However, generally it applies to design as a graphic expression of brands.

Packaging plays an important role in making purchasing decisions. It protects the product during transport, storage and sale and is a mean of information; it contains information about the product, the manufacturer, date of production, consumption, etc., and features promotions.

In defining the product, we also choose a **price level** at which our product will be sold. This can be low, medium or high. Most products are moving in mid-range price; the revenue from the sale exceeds costs and allow a reasonable profit. Our marketing strategy may not only have sales goals, so we may decide to flood the market with cheap products, or conversely focus on producing unique and very expensive products.

The **value** for the buyer is determined not only by price, but by all objectively and subjectively perceived advantages (benefits) that comes with the product. The buyer is not willing to pay a higher price than what it is the product value for him or her, and any positive difference between the value and the price increases the likelihood of a repeat purchase.

The product placement has to take into account the relationship between the value (benefit) and the cost compared to competitors in the following ranges:

- Higher value at a higher price - this is particularly luxury goods
- Higher value for the same price - leads to the elimination of competition in the same price level

- The same value at a lower price - disposal of competition through price reductions, often dumping prices.

In connection with the product let's also have a look at the choice of distribution channels, which is important for ensuring the availability of the product for the buyer. We distinguish between direct distribution channels, which have no intermediary, and indirect distribution channels, which have one or more intermediaries. This factor must be reflected in the marketing plan for the impact on other tools of communication mix. E.g. the choice of facilitator will also affect a product promotion. We communicate as part of the buyer towards intermediaries. Distribution can be in principle:

- Intensive (to ensure the greatest number of intermediaries)
- Exclusive (by selected intermediaries, often only one who has the exclusive right to distribute)
- Selective (more than one but not all of the available intermediaries, without exclusive rights to distribute)

Note: product promotion (communication mix) is presented in a separate chapter.

EXERCISE 3

Discuss the relationship between a need and a want, a value and a price on an example of a selected product.

Product Life Cycle

The product can be found in market practice in various stages of its life cycle. The life cycle begins by implementing a product on the market. This phase is often characterized by low sales, which are gradually increasing. It should be invested more in promotion. Implementation stage brings high costs for the seller. Growth stage is then characterized by dynamic growth in sales volume. The costs move into distribution channels that can be strengthened with increasing sale. Continuing investments must be placed in marketing

communications. In a maturity stage then, sales peaks, brings the biggest profits. It also reflects an effort to extend the life cycle in terms of innovation and finding new markets. The cost of marketing communication is moving into the area of sales promotion. For the symptomatic phase is inevitable drop in sales typical. This reduces all the marketing costs. There is a price reduction. The final stage is taking the product out from the market.

Chapter 3 – Analyses

To understand the conditions under which we will introduce the product on the market and select the right marketing strategy, we need to know the context of product. It consists of:

- Macro-context
- Micro-context
- Own potential

There are many different methods of analyzing these components; we choose one selected method of analysis for each.

PEST analysis (macro-context)

PEST analysis is an analysis of political and legislative, economic, socio-cultural and technological environment, so-called macro environment audit. Surroundings have an indirect but significant influence on the product and possibilities of implementation.

Note: PEST is mostly used in management (as examples following) and to be implied in marketing must be tailored for the product in each specific case.

Political and legislative factors include:

- Antitrust laws
- Environmental Protection
- Consumer protection
- Tax policy
- Labour law
- Political stability, etc.

Economic factors include:

- Economic cycles

- GDP trends
- Exchange rates
- Purchasing power
- Interest rates
- Inflation
- Unemployment
- The average wage
- Energy prices, etc.

Socio-cultural factors include:

- Demographic situation
- Changes in life cycle
- Mobility
- Level of education
- Access to work and free time, etc.

Technological factors include:

- An overall state of technology
- New discoveries
- Changes in technology itself
- Rate of obsolescence, etc.

EXERCISE 4

Define the macro-context of the Faculty of Arts, Charles University in Prague.

Position analysis (micro-context)

This analysis (or a set of analyses) shows us the relationship/position to immediate surroundings. This neighbourhood consists of the market in which we operate and is composed mainly of competitors, consumers (buyers), suppliers (providing input) and buyers (distributors).

Market analysis for product-specific notes:

- Type of market; it can be consumer market, industrial, services or public institutions market, etc.
- Composition of the market on the supply side
- General level of market demand
- Purchasing power on the demand side

It also may further define its own position in the market, e.g. by:

- Sales
- Market share
- Profits, etc.

Analysis of the competitors (competitive intelligence) is mainly concerned on obtaining and evaluating information available about our competitors. It answers questions such as following:

- Who are the competitors?
- What are their goals?
- What are their strategies?
- What are their costs and profits?
- What are their resources and opportunities; etc.

Analysis of consumers leads to a description of potential target groups and the subsequent selection of the focus ahead, and how it will influence the product. The focus is therefore on the information that:

- identify types of customers / buyers
- analyze the process of purchasing habits, consumption and use of the product
- exploring the potential buyers preferences
- analyze the decision-making process of buyers, etc.

Own potential analysis – SWOT analysis

SWOT analysis is a method that can identify strengths and weaknesses as well as opportunities and threats associated with a particular project or a product. It is crucial part of strategic planning.

Using SWOT analysis can comprehensively evaluate the functioning of the company, find problems and new opportunities for its growth. It provides managers with a logical framework for evaluating the position of the organization; it also is the basis for selection of the best alternatives. It's improving performance of the company or the institution. Importantly, while the strengths and weaknesses relate to the company or the institution as such, opportunities and threats reflect its relationship to the surroundings. The aim is to transform weaknesses in strengths, to eliminate threats and to exploit possible opportunities.

It is essential to take into account the following factors:

- Senior management – determines the overall strategy, decide on the position of the product throughout the whole business.
- Finance – the financial possibilities give a clear framework for the possibilities of marketing plans.
- Research and development – investing in improvements extends life cycle of the product.
- The purchase – the important role played by input prices.
- Production – includes the cost of production itself, but also activities related to production.

The role of **information professional** in the analytical part of the marketing process is straightforward; information retrieval and evaluation is his or her domain. S/he should not however forget that outputs of any analysis must be made in a form useful for strategic planning and therefore among others clearly understandable. Priority is given to the systematic search and analysis of available information and monitoring developments in the marketing environment.

Chapter 4 – Target groups

After we have identified potential buyers by the analyses mentioned above, we shall decide which of them will become our target groups. It is determined by the attractiveness of these groups, such as size, growth rate, profitability, return on investment and risk levels. In addition, the seller decided noting his defined objectives and resources necessary to achieve the objective. Within the selected target groups, the seller/producer must also ask whether is able to compete in the market and whether will offer something different from competitors. Setting of marketing mix (4P/4C) must always be preceded by strategic decisions regarding segmentation, targeting and positioning.

Segmentation means the selection of potential target groups, **targeting** the reflection of the selected target groups and adapting the product to their needs. **Positioning** is the choice how and what instruments for specific target groups will be used; we choose the final form of the product, price level, the distribution and promotion. In the subsequent segmentation and targeting, first we discover and explore who we sell our products to. This includes determining who are our potential customers, what they respond to, how we will best communicate with them, etc.

Therefore, we focus on to get to know our target groups very well. We use various methods of **market research** which can be applied both in the planning as well as the evaluating of our marketing plan. Such methods include:

- Personal interviews (the interview panel, omnibus) – a time consuming and costly method that can be applied on a limited sample of respondents; however, the advantage is the possibility of the discussion, getting a feedback and responses relatively truth.
- Telephone interview – a fast and cheaper method that guarantees the anonymity of the respondent, it is also time consuming and gives less accurate responses.
- Questionnaires, polls – a quick and relatively inexpensive method applicable on a large sample of respondents, but with the low response rate and no guarantee of their veracity.

- Internet polling - a quick, inexpensive method, but with very limited influence on the selection of respondents and with very low returns.

Marketing research is seen as the systematic planning, gathering, analyzing and evaluating information needed to effectively address specific marketing issues.

Planning marketing research usually involves:

- Defining the objectives and research problem
- Preparing the plan and design methodology
- Implementing of research, data collection and analysis
- Preparing the report and presenting results

The available data are either primary, so purposefully assembled to address our problem, or secondary, which means to use already existing data collected for other purposes.

Information professionals know the collection and evaluation of primary data, but this is usually a domain of sociologists. Therefore, in particular, his or her domain is the analysis of secondary data, from which s/he extracts the maximum (data mining).

Geographic segmentation divides the market according to different geographical factors - nations, states, regions, countries, cities, counties, etc. On the basis of identification to which one segment consumers belong, the seller decides what extent will operate to. The important point is the respect for traditions and customs of different nationalities.

Demographic segmentation takes into account factors such as age, gender, income, occupation, education, and ethnicity, the number of family members, lifestyle, and social status. These criteria are regarded as the basic type of classification of the market, because they most distinguish needs and wants of consumers.

Psychographic segmentation divides the market into groups based on lifestyle or personal characteristics. It captures attitudinal differences of opinions and depends on personalities.

Behavioural segmentation takes into account the behaviour of groups according to product knowledge, attitudes toward it, use of it, and to their reactions to the product. Due to the high specification of this segmentation it is one of the best ways to learn market.

However, a **multiplied segmentation** is the most common, it merges previous sorting, and it combines several different segmentations. Any multiple segmentation is used e.g. in a detailed survey of consumers in one location, which is determined by lifestyle and particular characteristics typical for a small portion of the site.

When dividing the market into several groups, a seller should keep few principles. First, to divide a market on target groups and focus on one/some of them must be beneficial. Target groups should have sufficient purchasing power and stability. There must not be legislative, competitive and other obstacles to reach the selected target group. In addition, there would not be completely identical products to those with whom the seller wants to enter the market.

Chapter 5 – Marketing concepts and strategies

Currently, five business concepts are generally accepted:

- Production concept
- Manufacturing concept
- Sales concept
- Marketing concept
- Social concept

The **production concept** is based on the assumption that buyers prefer products easily available and cheap. Seller concentrated efforts to achieve high efficiency of mass production and broad market coverage. The production concept is typically accepted in those situations where demand exceeds supply and consumers are willing to accept any product for fast/daily consumption.

The **manufacturing concept** is based on the fact that consumers prefer products highly innovative, of high quality, fully functional, and that they want great design and only prestige goods and are willing to pay a high price. Manufacture-oriented businesses are therefore aim to produce unique pieces and improve them continually.

The **sales concept** is mostly about providing information to customers, convincing them and getting them to purchase products offered. The seller efforts to promote/communicate the product, especially by advertising, building own sales networks and sales teams. It is aimed rather to sell what have already been produced, than to produce what customers want and what could be easily sold.

The **marketing concept** is based on the principle of sustained focus on the seller's active and effective satisfaction of consumer needs, which adjusts the focus of development processes, production and sale of goods and it is the foundation of today's tradition-based marketing.

The **social concept** seeks to reconcile the interests of individuals with the

welfare of all human society, and envisages a compromise between the sellers' profits, satisfying human needs and interests of the public as a whole. Its application usually increases the costs associated with protecting the environment. Efforts are currently highly valued and generally enhance the image and prestige of both sellers and their products.

Note: The concept of social responsibility (CSR) is increasingly mentioned, particularly in the area of management, and it is closely related to the social marketing concept.

The chosen concept (or a mix of concepts) is then tailored to the product in terms of the marketing plan, which determines the marketing strategy; the distribution of the marketing mix in particular.

Defining goals

The aim of the marketing strategy may be to sell or to profit, but also (e.g.) to get increased turnover, increased awareness of product, rejection, etc. While our vision determines the overall approach and long-term direction of the seller, goals define what, when and how to reach it in specified time. It is important to set realistic goals advantageous for the seller. To test our goals we can use the method of determining the objectives – SMART/ER. Each objective/goal then should be:

- Specific – best expressed by an explicit value, i.e. not be the best, but to reach exactly the intended market share
- Measurable – clear value expressed is to give a measure (even repeated)
- Agreed – the objective should be a consensus within the company or the institution, which is the condition for its fulfilment
- Realistic – an unrealistic goal is not able to be met, all means of the seller/producer must be taken into account.
- Time-limited – clearly intended value must also be limited in time; how much of what I want and for how long
- Evaluation - feedback that says, among other things, whether we attempt the goal in a respect to costs

- Rewarded - the objective must be seen as a positive shift/change

EXERCISE 5

Test the theme of your thesis by SMART/ER method.

Chapter 6 – Communication mix

Communication is a separate issue of another study ext, but it is a fundamental to understand necessary basics of communication models in marketing. Two key players in the classic understanding of processes of communication (Psychology of Advertising) are represented by a sender and a recipient. The other two elements are the two most important tools of communication – a message and a media. The next four elements constitute the main communication functions or activities - encoding, decoding, a response and a feedback. The last element of communication is interference. The sender must know exactly whom to send the message to and what response is expected. The sender must encode his message to fit the usual way of decoding the message by the recipient. His message must be spread through the most effective media to catch the sender as well as keep the chance to follow his/her reaction/respond. The sender's task is to deliver the message to the recipient. The selected recipient may not receive the message from one of the following three reasons:

- Selective attention – the message should overcome any interference from the surroundings
- Selective distortion – the message should explicitly limit the possibility of different interpretations applied by the recipient depending on his/her preferences and experiences
- Selective memory – a repetition increases the likelihood that the recipient of the message transfers it from short to long-term memory

Mix of communication tools, through which the seller transmits its **messages** to the buyer, are: advertising, public relations, sales promotion and direct marketing.

Advertising is any paid form of promotion of the product aimed primarily to increase sales, but also the creation of strong brands, an increasing demand, strengthening the market position, improving the reputation of the company or expanding distribution network.

Advertising is in the Czech Republic regulated by law No. 40/1995 on the regulation of advertising, as amended. Advertising includes the means of notification, demonstrations or other presentations distributed by any communication media and aimed at promoting any entrepreneurial activity, particularly in promoting the consumption or the sale of goods, constructions, leasing or selling real estate, sales or uses of rights or obligations, support services, promotions of the brand.

Advertising must not be particularly misleading, hidden, subliminal or contrary to good morals. It must not encourage behaviour detrimental to the health or endangering safety of persons or property, as well as conduct detrimental to the interests of environmental protection. It must not promote products or services that are prohibited.

Special conditions are applied in advertising specifics: advertising aimed at young people less than 18 years old, advertising for tobacco products, alcoholic beverages, pharmaceuticals, medical devices, food, infant nutrition, plant protection products, firearms and ammunition, and funeral services.

Types of Advertisements

- Television advertising
- Print advertising (ads, flyers)
- Radio spots
- Internet advertising
- Outdoor advertising (posters, billboards, neon signs, unusual advertising space - gables, fences, etc., including mobile ads - such as trucks, etc.)
- Promotional items (e.g. T-shirts or pens with an inscription or a logo of advertised companies, etc.)

Advertising by purpose may be:

- Informative (about new products, promotions, etc.)
- Persuasive (it emphasizes brand and encourages customers to quick purchase)

- Reminding (e.g. it reminds where a particular product can be bought, or till when)

The most important component of the advertising is a **slogan**. It should:

- be original, imaginative and engaging
- be concise, short, understandable and easy to remember
- communicate the benefits of the product or the brand
- provide an important benefit or a solution
- attract the attention and stimulate consumer's needs and wants

Advertisements on Facebook

On Facebook you can advertise almost anything – a brand, a product, a service or an event. You can do PR for a politician or other known or even unknown person. Facebook is used mostly by young people under 35 years in our country. If it is your target audience or your product is interesting across all age groups, you can try advertising on Facebook. Basic possibilities of promotion are essentially four: PPC (pay per click), a group, a profile, and the event.

Public relations (PR) include establishing and maintaining mutual understanding between the seller and the buyer, a mutual trust, a respect and a social responsibility. Unlike advertisement PR is based on building long-term relationships and is usually unpaid form of promotion. More generally, PR involves creating relationships with all key groups of actors, not only with buyers.

Types of PR

- Business-to-Business
- Corporate/Institutional PR
- Consumers PR
- Product PR

- Relationships with local authorities and communities

- Crisis communication
- Controlled communication about changes
- Relationships with employees
- Ecology/Environment PR
- Internal communications
- External affairs
- Advocacy
- Financial and investor relations

Sales promotion is to encourage an immediate sale. The tools of sales promotion targeted to the buyer include samples, coupons, premiums, gifts, display products, product demonstrations, tastings, contests and sweepstakes, discounts. Sales promotions may also be targeted at distributors, and includes such as joint advertising, sales discounts, product presentations, etc. Creation of **communities** sharing a particular product may also be included.

Direct marketing is carried out without any intermediary; it means establishing a direct relationship with the customer and is particularly suitable for a very narrow range of intended target groups. The actual sale can take place through an agent, by mails, telephones or the internet.

Distribution of the communication mix in the product's lifecycle

Advertising and PR are the most effective means during the implementation phase of a product. According to the significance it is followed by sales promotion, whose mission is to encourage consumers to try the new product, and personal selling, which helps to ensure the availability of goods on the market. The growth stage can use all the instruments somehow reduced, particularly in cases where demand is positively stimulated by oral transmission of messages between buyers. It is important to strengthen the distribution networks. At a time when the product is in a mature stage, an importance of advertising increases again. Encouraging the sale remains very intense in the phase of decline, while advertising and PR are suppressed. However, the choice of the specific allocation of the communication mix is the factor of a product success and surprising solution are those of guarded know-how.

Chapter 7 – Preparing own project (marketing plan)

As mentioned above a marketing plan typically includes the following sections, which we shall pass along:

- Vision (summary, product description)
- Analyses (macro/micro environment, strengths/weaknesses, etc.)
- Marketing objectives (strategic/operational)
- Marketing Strategy (layout variables/instruments)
- Timetable
- Budget
- Evaluation

Product in a spotlight - from an idea to an offer

Establish a vision means to capture the idea clearly and express it succinctly. Our product is still not quite specific enough, but it is clear that we have an idea and its implementation we want to be somewhere. Then we have to describe our product. What is unique on it? What makes us as producer and our product different from others? Why it will catch others? We set our ideas and clearly define the characteristics of the product, while taking into account our means.

Marketing plan – step by step towards a success

We have our vision, we know our product and we wish our vision to be fulfilled. We still need to fully understand the environment in which we operate. We examine both the macro and microenvironment and focus on the exploration of the target market. Who are our customers, where we have a group of potential buyers and how we focus on them? Our objectives in this context must be SMART/ER.

As we get to know our selected target audience, we can refine the capabilities of our product and focus on an extension by additional attributes that are attractive to our customers. We then spread marketing mix to reflect the strategy we have

chosen, and in addition to other features of our product we choose the level of price, distribution channels and methods of promotion.

We know the targets, we have the plan; it is time to consider the costs and benefits and determine the budget for the whole project. We have different options, each such budget is, however, qualified estimate, which is tried to be followed.

Evaluation – evolution of good practices

Have we achieved our goals? Are we staying within budget? Was marketing mix distributed properly? How has the market situation changed the way we go further? Reflection and evaluation would be the crowning of every successful project as the basis for good practices.

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