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Jakub Salkini

Vedoucí práce: Ing. Jozefína Simová, Ph.D.

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I would like to end this with a special dedication to everyone who helped me with this project.



Summary:

The aim of this bachelor's work is to bring the reader closer to the actual marketing in the firm CT Praha. The work is namely about specifying the competition and analyzing the market environment in this branch. Furthermore, the aim of my work is to consider whatever would be suitable to establish a company's own marketing division, which the company does not have yet.

The whole work is divided into 3 parts. The first part is theoretical, which deals with theoretical description of SWOT analysis and with the description of marketing mix and marketing research.

At the beginning of the second, practical part is the company's identification, then the part which deals with the SWOT analysis and then with characteristics of the marketing mix of CT Praha. This part results from theoretical theses and from experiences of the firm's management.

The third part includes proposals of improvement for the present company's situation.



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1 Introduction

Complex set of activity generating marketing has fundamental meaning for every business, big or small, new or already established. Its good point out, that competitive advantage today's firms is threaten by high competitive environment and by always raising requirements consumers.

Inseparable single part of a business is hazard.

It's connected on the one hand with expectation on placeman wither up good economic results, on the second hand it is going with a danger of business failure, that result in wastes, which they may have at some time weighty range.

It stands to reason, that record of business activities is influencing more factor, whose future development is able to be considerably unsafe. There are e.g. boldness changes in demand, changes of selling prices, downgraded production costs, changes of techniques or technology. Mentioned factors we understand as an example so - called factor of hazard.

These factors we cannot influence not at all or only in a certain dull measure.

Future of development of these factors however stays always until some limit uncertain. This uncertainty is then the reason of business hazards.

Since competition on CT Prague strongly push and firm was as far as till now almost without marketing orientation, suppose, that me ascertained data might be useful and eventually prompt some more strategy to the firm. Today's market is namely very uncertain and every firm must try to survive.

I hope that my advice will be helpful for company at least in part, or for inspiration.

As a subject for this bachelor work I therefore selected marketing studies of firm CT Prague. Acts about small firm conversant of sale completing office techniques and thermo laminating films.



At the beginning of my work the needed theory concerning the SWOT analysis and marketing mix is mentioned. The theoretical part is tied together with the practical part that contains brief introduction of the firm, SWOT analysis of firm CT Prague as whole.

At the end of my work my personal suggestions for the improvement of contemporary state of the firm are mentioned.

Goal of that bachelor work is to characterize marketing activities of the firm, find out appropriate weaknesses and subsequently suggest how these inadequacies can be improve.



2 Marketing in the business environment

Marketing is important philosophy and device in management of each company. A starting point of each strategy is analysis of competition and customers. The results of these analyses are summarised in the SWOT analysis.

2.1 Analysis of competitors

The aim of the competing strategy is to differentiate the company from the others. It means that the company has to make an analysis of its main competitors.

Analyses of competitors consist of four main units future goals, present strategy, hypotheses and capabilities.

- 1) **Future goals** For every company it is good to know where its competitor direction is. Knowledge of competitor's intentions always helps to predict a lot. For instance, if we find out that the competitor is satisfied with his position in the market or not, we can predict if he is planning some changes in his strategy. To be able to estimate the competitor's direction, the company should not forget:
 - the competitor's position on the market
 - level of management
 - marketing strategy
 - organizational structure
 - financial intentions
- 2) **Present strategy** The company is trying to find out what markets the competitor has success in, what distribution and price strategy the competitor has chosen, and what sort of communication is used
- 3) **Hypotheses** The company can very easily overestimate as well as underestimate its competitors, because of the lack of information to make accurate decisions, according to its present strategies and present position on the market



4) **Capabilities** – The last item in the analysis is the evaluation of the competitor's capabilities. Getting information about the competitor is generally very difficult. Companies are always trying to protect their strategies and financial indicators, which is why a lot of information could be distorted. It is also possible to find some information about competitors in secondary data and exhibition shows.

Analysis can help us to point out weak and strong sides of the competitor.

The first step is to identify the competitors, and then detail the analysis based on already found information. After evaluating the collected information, the company can choose the best competitor strategy.

Identification of competitors

Every organization that fights for a piece of the customer's budget is taken as a competitor.

2.1.1 Structure of competitors

To be able for the company to specify its competitor's strategy, it needs to know the field where the companies are trading. To mark out the structure of competitors is a very important step in the competitor's analysis.

The level of competitors depends on four basic competitors powers: new companies on the market, danger of substitutes, negotiating control suppliers customers, and fighting against current competitors. All four powers together shows how strong the competitors are.



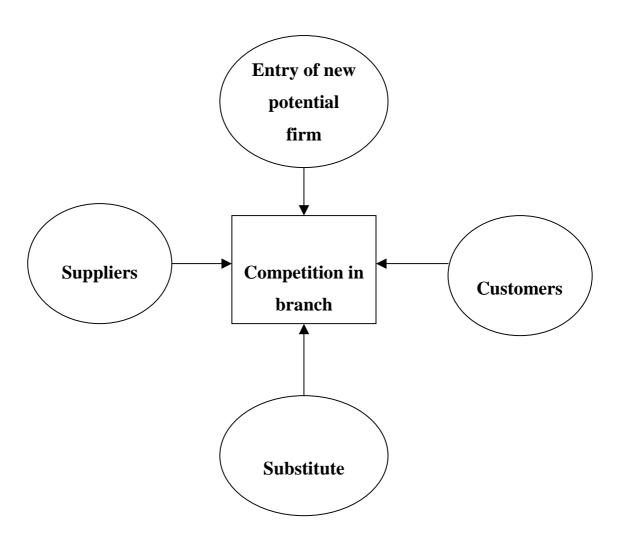


Figure no.1 Porter's model of five competition powers

The identification of the substitute means, to specify and find other products, which could accomplish the same function as a product in lay.

The word "competitor" means not only a company offering similar products, but also a company that could affect our position on the market. Therefore, it is important to divide competitors into two categories:

- 1. Companies selling similar products to the same customers for similar prices
- 2. Other companies that are fighting with for consumer's budget



SWOT analysis

This is a technique used to help the Marketing department assess products.

It is a way of assessing the strengths, weaknesses, opportunities and threats {SWOT} of the product. In addition, it can be applied to the business as a whole. So, as it is in our case.

2.2 Market segmentation

This is when a market is broken down into subgroups, which share similar characteristics.

The marketing people divide the whole market into different groups and categories, which are called market segments.

Each segment is investigated in detail. When it comes to advertising, the marketing people know the best places to advertise and the most likely place the particular market segment will see the advertisement.

Here are some of the most common ways a market can be segmented.

• By income group

Income groups can be defined by grouping people's jobs according to how much they are paid. For example, managers are usually paid more than office staff. Office staff is usually paid more than production workers and so on.

This often means that products are priced differently to target certain income groups.

• By age



The products bought by people in different age groups will not be the same. Young people buy different products than adults. Age grouping is a very common way to segment a market.

• By region

In different regions of a country, people might buy different products. For example, if the product is exported then it may need to changed slightly (for example, a different name or different packaging) in order to appeal to the tastes of people in other countries).

• By gender

Some products are bought only by women or only by men.

• By use of the product

Consumers use products for domestic or for business use. Cars for business use may be advertised by sending brochures out to the businesses, whereas cars for domestic use may be advertised on television. These cars may be the same models, but they will be marketed in a different way.

A marketing person would consider all these factors when deciding which segments might buy new products. Therefore, once the segments have been identified, this will influence how companies package and advertise the product.

By finding out the different segments whose needs have not been met (i.e. where there is a gap in the market), we can produce a suitable product to meet these customer needs and increase sales. But we need to identify this gap before a competitor does.



2.3 Marketing research

A business needs to find out how many people would want to buy the product it is offering for sale. Therefore, it is very important that market research is carried out accurately.

If a firm wants to successfully function in a competitive environment, it must get information about the market, competition and above all, the needs of its customers. It must decide about expending it resources in the right way, to attain lay out and above all, profit.

Such decisions must be applied with considerable caution, to minimize the usage of relevant information. Composition of marketing research is to collect and analyze information you - contrite of conditions in marketplace and consumer behavior with the aim of determine who, why and behind what terms given to product buys. This information is forming the platform for elaboration marketing strategy and setting targets of the company.

Marketing research can be done by several manners:

Big companies have own personal marketing experimental departments.

Little firms may turn on with their request to university, to ask professors or students to processed marketing study or carried out marketing research.

External marketing and experimental agencies that deals with research are presenting another possibility how to purchase marketing experimental work.

This decision is to a great extent given by appreciation of costs, which must firm spend on research and concrete contribution of information gained by research.



One of the most frequent works of marketing research belongs to characterization of the market, analysis of firm's share in the marketplace, analyzed sales, study of price policy, tested new product and tested effectiveness of advertising.

2.3.1 Marketing research process

In these days, companies more and more derive benefit from marketing research like instrument on gained information not only for solving marketing problems, but also therefore, to easily recognize environment, in which functions and could so on time respond to various changes, which must take into account in his plans and decisions.

Every research consists of several steps. It's however necessary to adjust progress according to individual needs of every single marketing research.

Marketing research process

- > Defining the purpose of the research
- > Statement of research objectives
- Review of existing data
- Value analysis
- Research design
- Methods of primary data collection
- Research tactics sampling procedures and instrument design
- Data collection
- Data analysis
- Completion of the project



2.3.1.1 Defining the purpose of the research

At the beginning of marketing research it is very important to accurately specify and define the problem that the research should concentrate on. Defining the problem means to set down reasons why the research should be provided.

2.3.1.2 Determining goals of research

Goals of the research must be set down exactly, because this determines the information we want to obtain. It is also important to define the subject of the research. Some other questions related to this.

Who is the firm's customer?

What are the customer's needs?

What is the competition like?

2.3.1.3 Review of existing data

In this stage of the research we are aiming to gain as much data about the problem as possible. There is often an elaboration preliminary study, which will acknowledge or refute some preliminary opinions about the problem and will regulate the course of the next research.

If these internal sources do not satisfy the data needs, the firm's approach is to collect the primary data.

2.3.1.4 Value analysis

The collection of primary data is expensive, therefore it is necessary to pass judgment on the contribution research and the costs, before beginning the research.



Research design

This consists of setting the method of choosing respondents, the method of choosing the appropriate technique of collecting data, and setting the method in which respondents will be contacted.

2.3.1.5 Method of primary data collection

Part of the process research is also option of suitable method gathering primary data that way, to research was gain relevant, actual and above all distortion less information.

For collection, primary data was in our instance used observational method.

Moreover, an advantage in the company is also the sufficient number of internal data ==> secondary research, which we are going to operate with in the marketing research process.

Secondary research – also called desk research, is the use of information that has already been collected and is available by others. This is either from internal sources or from external sources.

2.3.1.6 Internal sources of information

A lot of information may be readily and cheaply available from the firm's own records.

Other data can be gained by personal contacts with customers; this is one result of sales representative, who works for company. A formalized system of collecting and retrieving such data, along with adequate incentives for the sales force, is necessary to make the system useful.



Examples of internal sources of information include:

Sales reports

Pricing data

Sales department sales records

Sales representative's reports

2.3.1.7 External sources of information

These are sources of information that are obtained from outside the company. These sources are many and varied and tend to depend on the type of product that is being researched.

This type of data is inevitably of a general nature as it has been gathered for some purpose other than the research that is being undertaken. It can still be useful, as long as the limitations are taken into account when using the information.

Examples of external sources of information include:

- o Trade and employer's associations
- o Specialist journals
- o Research reports
- o Market research agency reports
- Newspapers



2.3.1.8 Data collection

2.3.1.9 Data analysis

The processing itself requires the same attention and consistency as the realization of the whole research.

2.3.1.10 Completion of the project

- o Interpretation of data
- o Recommendations
- o Final report



2.4 Marketing mix

Definition: Marketing mix is a set of marketing tools that the company employs to attain its marketing aims in a final market. [1, page 94]

Each marketing program of a company has basic elements called the tools of marketing, otherwise referred to as 4P.

By using these tools and developing other activities (e.g., market research, market segmentation, searching for suitable strategy of company), you can create a personal marketing program of a company.

The aim is to achieve the most suitable utilization plus a combination of marketing elements in a so-called marketing mix inside of conditions of firm or in way for creation optimum marketing strategy of company.

Hundreds of tools exist in a marketing mix. Mr. McCarthy popularized the classification of these tools within the name 4P: Product, Price, Place (distribution) and Promotion.

The product itself is probably the most important element in the marketing mix – without the product, the rest of the marketing mix is pointless.

Specific marketing variables contained below the single P, are mentioned in the picture below.



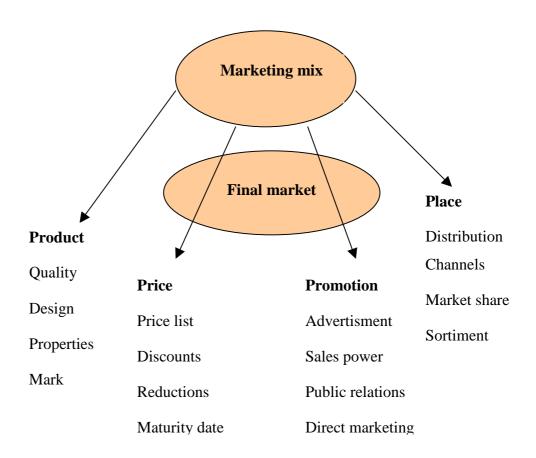


Figure no.2 Four P of marketing mix [1]

2.4.1 Product

The basic instrument of the marketing mix is Product, which presents concrete offer firm in the marketplace comprehensive quality, design, characteristics, mark and package.

Included in the term Product are various services that the company provides to its customers. Among this is leasing, delivering products, and teaching – of customers.



Each part of the marketing mix has to be considered carefully to make sure that it all fits together and one part does not counteract the other.

For example, a high-priced perfume should be wrapped in expensive-looking packaging, advertised by glamorous women, but then it should not be sold in small stores. In this example I wanted to show that the "Place" would not fit in with the other parts of the marketing mix.

2.4.2 Price

An important tool of marketing mix is Price, the amount that customers have to pay for the product. If a price is too high, customers will start to purchase the product from the competition.

2.4.3 Place

The next pivotal tool of the marketing mix is Place. The firm must make the product easily available for the customers. It must create and implement various marketing negotiator to supply its products in the marketplace effectively.

2.4.4 Promotion

The fourth tool of the marketing mix is Promotion. It contains various activities that company realized, to introduce their products to customers on the final market.



2.5 Price policy

In spite of the increasing role of non-price factors in the modern marketing progress, price remains the deciding element of a marketing mix.

Price is the only of the four P's of the marketing mix that produces revenues.

Price is the category that perhaps mostly influences the economy of the firm by, that influence demand in the marketplace has influence over the whole economy.

In light of single company is price the important factor, which has among others, influence over position of competition plus market share.

Price also affects final profits of a company, its market position and market share, and undoubtedly affects the other parts of a marketing mix.

2.5.1 Goals of pricing policy

Primarily the company must determine the goals of price policy, namely, what it wants to achieve by offering products, whether it is: survival, maximization of current gain, growth of sales, etc.

Pricing policy of company can have various purposes:

1. short-term

- a) survival of company The firm has a surplus of capacities, strong competition, in company happens to expressive economic changes
- b) liquidation of competition The firm wants to liquidate its competition, therefore it employs various methods to do this, e.g. it determines the dumping price of a product



- c) maximizing profit
- 2. long-term
- a) maximizing profit
- b) achievement of a higher price e.g., reservation of fast payback period of investments
- 3. **Achievement of a lower price** e.g., growth of capacity of sales and market share

Afterward, the company must judge the curve of demand and supposed quantity of goods, which it will sell at single possible prices.

2.5.2 Methods of price determination and price creation

The company has to newly determine price at the time, when features in market new product, if firm features already established product into new channels of distribution or on new ground and if obtain offer from new customer.

2.5.2.1 Methods of price determination

To determine the correct height of price, the company can use the following methods:

- 1. Costs oriented price
- 2. Price according to competition
- 3. Price according to value perceived by customer



Costs oriented price

Price is coming out of costs and profit (margin, business margin) and it is solved with percentage to costs.

To determine right price we must take into account not only the selling price of product, but also the height of business surcharges on channel of distribution to the customer.

Price according to competition

This is the easiest method of determining price.

Price that we can vote on:

- a) higher than competition e.g., for branded goods
- b) lower than competition for one product we achieve a lower profit, however we sell a larger capacity of products thereby achieving a globally higher profit
- c) same like competition we increase other activities, e.g., our advertisements

Price according to value perceived by customer

This price is based on the consumer's belief that the product gives him extra satisfaction of his requirement. Usage of this type of pricing is typical for branded, exclusive and stylish goods.

2.5.2.2 Price creation techniques

At price determination, we make use of various partial techniques that have a psychological effect on customers.



For example:

- Number 9 The selling price ends on 9 99,90
- Price rows All products have defined price rows, in which dealers may easily order, e.g., 39,-59,-79,-
- Longitude maturity of goods The supplier is with the longitude of maturity providing to customer business loan, and if he is providing the loan longer, the customers are buying its products rather than the competitor's

2.5.3 System of reductions and discounts

- The height of price is also influenced by a selected system of reductions and discounts.
- discount reduction at payment (e.g., payment in cash decreases the price)
- quantity rebate quantitative reduction (by taking a bigger quantity of goods, has customer pretension to lower price)
- season reduction (purchasing goods off-season is cheaper)
- functional reduction (distributors, who finance advertisement, training, servicing, etc. may obtain a discount from the producer)
- discounts for long-term contract customers

Strategy of price conformity

A firm should care not only about price, but about creating a pricing structure that reflects a geographical conformity of price to demand and costs, the needs of single segments of the market, the sizes of orders and other factors.



Practical part

3. Development of the marketing activities in the conditions

of CT Praha, spol. s r.o.





Figure no.3 Showroom and warehouse

3.1 Introducing of CT Praha, spol. s r.o.

History Consulting & Trading Praha

Consulting & Trading Praha was founded in 1990 and had four employees.

The company business activity was the distribution of office desktop finishing products. At present, it still has a significant part of the Czech market.

During November 2004, Consulting & Trading Praha shortened the company name to CT Praha, spol. s r.o.

The company first started to sell and distribute office document finishing products such as desktop binders, pouch laminators, shredders, trimmers as well as the supplies material. CT Praha is proud to sell and offer the best quality products and materials from one of the biggest suppliers and producers in the world.

The fact that affordable goods were highly attractive for customers led to fast company expansion. Undoubtedly, the fact that when CT Praha, spol. s r.o. entered the market there were only a few competitors, also helped.



In 1998, Consulting & Trading Praha expanded on the market with commercial lamination films and wide format roll laminators.

At that time the company was divided into two divisions. The first division continued to sell office product equipment and the second division took care of wide format lamination.

CT Praha had rented its first place of business on Jeremenkova street. Nevertheless, the place became unsuitable because of the expansion of the company.

That's why in 2001 CT Praha moved to its present place, where it was able to establish a representative showroom for office products and a warehouse for the division of delivering laminators and laminating film to the Czech Republic and Slovakia as the authorized distributor of GBC Films Group Europe.



Figure no.4 Showroom



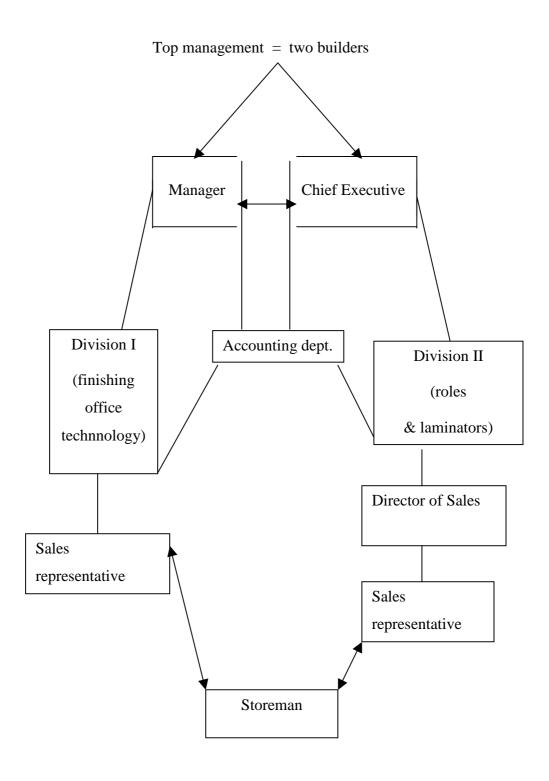


Figure no.5 Organizational structure of the CT Praha, spol. s r. o.

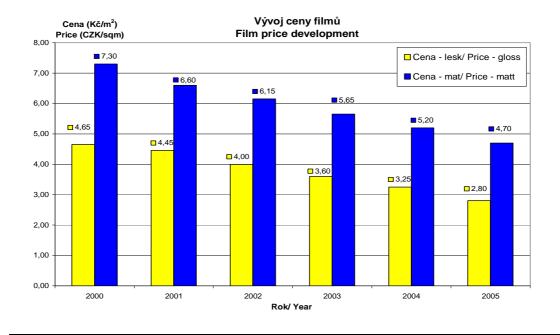


3.2 External Analysis

3.2.1 Analysis of competition

The competition and time proven technology of production thermo laminating films is expanding from Europe to US and Asia. The penetrative entry of Korean, recently also Indian and Chinese producers forces down the film prices.

The quality of this film is lower in comparison with proven American and European producers, but also, other high-quality producers appear. On the other hand, the competitive pressure on film price also has a positive influence. The price of thermo-films is now close to the price of dispersive lamination. The average prices and their drop are shown in the following graph no.5



Graph no.1 *Price development of thermo-laminating film in Czech republic (CZK/m²)* It is evident, that during the 5-year period the price dropped to the 50% level of the year 2000.

3.3.2 Analysis of the customers

First of all I divide customers of company in the view of divisions of CT Praha.

For division I (finishing office technology) – Are customers for instance - copycenters, restaurants, state institutions, organizations that are working with office documents.

For division II (laminators and roles) – are presenting the best customers such as printers, state institutions, large copy- centers.

Over 4 000 000 Over 2 000 000 Over 1 000 000 Incipient Indecided Uninteresting Renegade

Frequency

Monetary

Graph no.2 – RFM analyse



I found that in the years 2003 to 2004, the firm's database had about 2,500 consumers, 1000 of which were really active. By "diamont customers", I mean customers that meet at least either of these criteria:

- The customer buys at least three times a month from our firm
- The customer buys goods of at least 25, 000 Kc/month.

Today have firm approximately 2000 costumers from that active less than half, it means 700. If firm has aim to increasing of turnover, above all it should begin with customers that have experience already.



3.4 SWOT analysis

To carry out a SWOT analysis, four boxes are drawn up. The top two boxes, strengths and weaknesses, relate to the actual position of the firm, which are internal factors, while the bottom two boxes, opportunities and threats, relate to the firm's potential, and are external to the business.

Strengths

- Dominant position in a market
- Flexible price policy
- Long term activity in market
- Stable customer base
- Sufficiently volume of storehouse
- Individual access to customers

Weaknesses

- Weak marketing activities
- Exchange risk
- Relatively big distance from a supplier
- Ignorance of potential customers
- Bad morality of payment of customers

Opportunities

- Enlargement of offered service
- Capture the market in the Czech Republic
- Enforcement on the Slovakian market
- Mistakes done by competitors, and their disability react on change of demand
- Willingness of faithful customers to buy through attested company

Threats

- Entry of a new financial strong player on a market
- Strong weakening of Czech currency
- Economic situation in Czech Republic
- Strong competition
- Different development of expenses and demand in the following years



4 Marketing strategy design

Permanent contact with laminating film customers and knowledge of their needs gives a company the opportunity to verify the situation on the market regularly and quickly react on it. Problem is that firm is in the blind street. Costs of the firm are on minimum level, so there is no way to diminish them. Another way how to fight with aggressive competitors is to change the supplier and look for other one. In case of CT Praha it is impossible to change supplier in this time.

Here are several reasons: - hazard that new supplier has worse quality roles than he sent the sample roles

- needs to scoop up the warehouse for making place for new delivery (therefore, is risk of not satisfying your customers)
- goodwill of CT Praha

One of the possible strategy is to differentiate companies products of the competitor's ones. For instance, when selling the laminator, we could offer a training lessons for the operating staff.

Development trends

The answer for the question "What can we expect for this year and the next years?"

We can find in two points of view:

- Price development
- Trends in thermo lamination exercise in unused or undeveloped branch of printing industry

The present price situation is very dramatic:

Constantly growing price of rock oil, which also indicates
 the film price growth



The other point of view on the development is not so negative.

New technologies of digital printing and low-cost printing machines require high quality lamination for the appropriate price.

There is not so big a price pressure and the realized prices refer to the GBC quality. Unfortunately, the supply volumes are not very big so far.

Newly developed laminators for toner printers should increase the volumes of film supplies for this group of customers. Nevertheless, the lower price level opened the new opportunity, which is lamination of covers.

Thanks to the newly developing KOMFI machines for big format, (100 x 150 cm) the possibility of supplies to these customers arises.

These supplies mean a huge volume of production, which was done in cooperation on dispersive laminators up to now.

If this trend comes true and these customers decide to purchase their own laminating technology, we can expect strong growth.

Increasing volumes of supplied laminating technology should support adequate increase of laminating film supplies.



4.1 Marketing mix design

Product

Corporation is contemporary largest world's producer of laminators and laminate films is with developmental and production centers in Holland, USA, Australia, Korea and newly also in Czech republic once from the company determining trends in the field of lamination as final adjustment of all printing and graphical techniques.



Figure no. 6 Showroom

Price

Price will always be, for most consumers, the decisive factor. It is necessary, however, to note that a higher price often increases the evidence of security and the quality of service.

Presently the firm CT Praha tries to maximize its turnover. This is also an inferior price policy of the firm, whose aim is create such a price, which would help to achieve maximum turnover.



Place

Distribution

Goods from the firm CT Praha to consumers are transported in three ways:

- a) The consumer comes to the shop and buys goods which he will directly carry away
- b) Consumer orders goods which are transported to him by firm. CT Praha uses a company car for delivery.

. In cases where it is not possible for the firm to transport goods to the consumer by the company car, the company cooperates with a logistics company, which delivers to the whole Czech Republic.

Promotion

Some tools in the communication mix benefit CT Praha

Above all, advertising media such as the Internet or special magazines.

As completive it is possible suggest usage presents very extensive advertising banners.

Though it is possible to locate CT Praha on Internet sites related with printing and lamination, CT Praha had not concentrated on marketing communication until the present time. The company is normally participating in trade fairs at lay.

Except that the firm has an advertisement on its vehicle which delivers goods to customers.

Direct marketing

To our continual and pivotal consumers, CT Praha sends information about innovations in products and services, on discounted prices, and so on, regularly through the mail.



5 Conclusion

At the end I will try to evaluate deficiencies coming out from SWOT analysis and marketing mix.

For the company is very important to know their position on the market and know from what kind of strategy to realize very important competitive advantage.

From the made SWOT analysis I am getting the weak sides of the company that it's should try most to eliminate and from threats that company should know and make proper disposal to reduce or even avoid the threats.

I think that the biggest threat is the new competitors especially from Asia enter on the market. For the company will be very hard to keep current customers, unless these will offer them something better then other companies.

Here I would propose for e.g. "discount packet" for faithful customers. Of course with consideration of basic goal to earn the profit.

Next I would recommend special bonuses for bigger amount of orders like higher discount or product (but definitely not rolls) for free.

If I am considering marketing mix, I would suggest different way of creating price. A surcharge price method for this kind of organization is surely not a bad solution, but faithful customer should merit certain privilege. For instance create prices individually due to the kind and amount of the orders.

For customers is definitely attractive, if the company offers some kind of bonus, e.g., percentage discount (for certain amount of ordered goods). Every customer from my opinion is glad to receive from the supplier good service and offer him to safe money. One of the used discounts in CT Praha is sales when ordering through e-shop.

It's obvious that the company by itself cannot know all customers needs and wishes, therefore I would propose the easiest way – ask individually. Precede questionnaires and "pack it" to each order. Customer could have written his comments and ideas that could for sure help.



Customers could get some bonus or discount for the filled questioner, that's why I think almost everyone would fill it, who is interested in the products.

For the very end I would only like to add that I don't think the company has any fatal deficiencies and so is very difficult to devise suggestions. CT Praha has already "goodwill" and trusty customers, which could only discourage unfavorable price changes.

To the company CT Praha I wish all the luck on Czech and Slovak market and I will cross my finger, for staying minimum in the same position or get even better.



6 Reference

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