UNIVERSITY OF ECONOMICS

PRAGUE

DIPLOMA THESIS

2015   **Ivan Rozman**

University of Economics, Prague

International Business – Central European Business Realities

Strategic Analysis of the Job Portals in the Czech Republic

Author: Bc. Ivan Rozman

Thesis instructor: Ing. Jaroslav Halík, MBA, Ph.D.

Scholar year: 2014/2015

Declaration:

I hereby declare that I am the sole author of the thesis entitled "Strategic Analysis of the Job Portals in the Czech Republic ". I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on May 15th, 2015   Signature

                                                                              Bc. Ivan Rozman

Acknowledgements

I would like to thank my supervisor, Ing. Jaroslav Halík, MBA, Ph.D., for his guidance, time and support, which helped me in writing this thesis and setting me on the right track. I would also like to express my gratitude to my family whose life choices have given me the opportunity to study in the University of Economics, Prague.

Abstract

The aim of the theoretical part of this thesis is to describe the role of a marketing situational analysis and how it can benefit companies.

The practical part describes the individual steps of the marketing situational analysis of the new employment website www.aulinks.cz. The analysis focuses on the employment websites market in the Czech Republic and reveals its customer segments, competitive environment and trends.

The ultimate aim of this thesis is to propose www.aulinks.cz, based on the findings of the situational analysis, a penetration strategy, which will allow the company to utilize current market circumstances.

Key Words

Job Portal, Czech Republic, Aulinks, Strategic Analysis.

Abstrakt

Cílem teoretické části této práce je popsat roli marketingové situační analýzy a jak tato analýza může pomoct společnosti.

Praktická část popisuje jednotlivé kroky marketingové situační analýzy nového pracovního portálu na území České republiky, www.aulinks.cz. Analýza se zaměřuje na trh pracovních portálu v České republice a odhaluje zákaznické segmenty, konkurenční prostředí, vnější síly a trendy.

Konečným cílem této práce je na základě zjištění situační analýzy navrhnout www.aulinks.cz strategie rozšíření, které umožní, aby společnost využila současné tržní podmínky.

Klíčová slova

Pracovní portal, Česká republika, Aulinks, Strategická analýza.

Table of Contents

Introduction

The employment websites market in the Czech Republic can be said came into existence in 1996 when Milan Jasny developed and introduced the first Czech employment website onto the Czech internet, jobs.cz. This employment website enjoyed the effect of the "first entrée" and consolidated its success on it. In 2011, Alma Career Oy has bought the portal. The new owners decided to leave Milan Jasny as the CEO of LMC s.r.o the company who provides jobs.cz and prace.cz (Reuters.com, 2011). In 2012 Alma Career Oy has proceeded to buy the market followers of LMC s.r.o in the Czech Republic, profesia.cz (I. Alma media corporation, 2012). In 2013, they have also strengthened their international joint venture with Monster Worldwide. Both companies LMC s.r.o and Monster Worldwide are owners of the separate legal entity Alma Career Oy (formerly Monster Oy). Monster Worldwide has 15 % stake while Alma media has an 85% stake in the joint venture. The aim of the joint venture is to strengthen their joint operations across Eastern Europe and the Baltics. In expanding their joint offering, Monster's career services was combined with Alma Media's similar services to create a comprehensive offering in Poland, Hungary, Czech Republic, Slovakia, Croatia, Finland, Estonia, Latvia and Lithuania (II. Alma Media Corporation, 2012). Today jobs.cz, prace.cz, volnamista.cz, monsters.cz and profesia.cz are undisputed market leaders in the Czech Republic employment websites market.

With time many employment websites have also entered the market. Today there are over 56 employment websites on the market. The competitive forces are strong many substitute services exist and new niche players are starting to grab a large share of the market.

This work deals with the marketing situation analysis of the employment websites market in the Czech Republic. This topic is of particular interest to me because I am the co-owner of E-Jobs Service s.r.o. Our company specializes in human resources Internet solutions. For two years now we have been developing a new employment website,

www.aulinks.cz, for the Czech Market. In February we have launched an open beta release of the website on the Czech Market. Websites in the beta phase will generally have many more bugs in them than completed websites, as well as speed/performance issues and may still cause crashes or data loss. The focus of our beta testing is reducing impacts to users. As our website is an open beta release meaning anybody interested is a tester and feedback information is collected to further improve the service. Due to this I have chosen to conduct a marketing situation analysis of the employment websites market in the Czech Republic.

Structure

The first chapter is a summary of theoretical knowledge of strategy and strategic management. Theories and practices from the book Strategic Market Management: European Edition written by David A. Aaker and Damien McLoughlin supplement with other prominent authors works on strategy has provided the skeleton on how the marketing situation analysis should be conducted. The second chapter provides theoretical description of how the external environment analysis should be conducted. The external environment analysis consists of a macro and micro analysis. The structures and steps of these analyses are described in detail. The third chapter describes how an internal analysis of a company should be conducted once the external environment has been conducted. The fourth chapter is the strategic analysis output. This chapter describes how strategic decisions are made and how the main findings from the internal and external analysis should be used in making decisions.

The fifth chapter is the most important one. This chapter builds on the knowledge, theories and practices described in the previous chapters. The chapter portrays the findings from the macro, micro analysis and internal findings. The findings are described in detail, additional information has also been added to the appendices, that supplement the findings.

In the Macro analysis an extended PEST analysis is conducted, which summarizes the main factors that can influence www.aulinks.cz and the employment websites market in the Czech Republic in General. In the micro analysis a customer, competitor and market analysis are conducted. These aspects are analyzed in detail to give the most precious information as possible. At the end of the chapter the findings are summarized in a strategic analysis output.

The sixth chapter contains the recommendation and conclusion of the thesis. In the recommendation I proposed a penetration strategy for aulinks.cz for the employment websites market in the Czech Republic. It is important to understand that www.aulinks.cz is now only in an open beta release phase and a concrete strategy, aims and goals have still not been set. This can only be done when there will be a firm understanding of the market forces and when the website will prove that it is ready to be used by job seekers and employers.

Methodology

A logical method must be undertaken in the formation of a thesis. Hence, common research methods, that are foundational for this thesis, will be defined.

It is important to note that when we conduct research we are attempting to connect theory with empirical data. There are two types of research methods for this. The deductive research involves starting with a social theory and then testing some of its implications with data, most commonly used in qualitative methods. While the inductive research process, most often used in qualitative methods, begins with specific data, which are than used to develop a general explanation (Engel & Schutt, 2005, pp. 38-45). In my research methodology I will use both.

The purpose of the research methodology is reflected in the types of conclusion the researcher aims to draw or goals of the research. There are three different ways in which the goals of research can be distinguished: exploratory, descriptive, and explanatory

research. In this thesis descriptive and exploratory research methods have been used, as exploratory studies generate speculative insights, new questions, while descriptive research aims to describe phenomena (Blanche, Durrheim & Painter, 2006, p44).

Goals

The theme of this thesis is study the job portals market in the whole of the Czech Republic. Aulinks.cz offers the services of a generalist employment website meaning it targets all of the professions available in the whole of the Czech Republic. Therefore the Czech Market in general should be analyzed.

The purpose of the situation analysis is to scrutinize the companies organizational and product position, as well as the overall potential survival of the business, within its environment. The thesis will try to reveal the capabilities that are available to aulinks.cz on the market. In summary the goal of this thesis is to propose a penetration strategy into the Czech employment websites market for aulinks.cz. This strategy should be based on the understanding of the environment and should provide a vision to the company.

Chapter 1: Strategic marketing management

"Strategic market management is a system designed to help management create, change, or retain a business strategy and to create strategic visions." (Aaker & Mcloughlin, 2009, p.10)

Strategic management is extremely important for all companies in today's competitive and financially restrictive market places because their long-term existence and effectiveness depends not only on their ability to satisfy customer's needs and desires but also to strategically respond to their current challenges. Therefore, strategic marketing management becomes a necessary practice in most industries to achieve competitive advantage and to increase effectiveness. For a employment website company, similar to any other company this means that they should be able to respond to changes in their business environment, to adapt their goals, resources and capabilities accordingly.

1.1 Strategy

Strategy is an action plan describing the course of operations and resource allocations designed to move an organization toward the achievement of its vision and goals (Ireland, Hoskisson & Hitt, 2008, p6.). In order for the chosen employment website company to successfully penetrate the market and to grab a sufficient amount of the market, an appropriate strategy needs to be selected that will enable the company to do the stated. Defining the appropriate strategy should only be possible after conducting a strategic marketing analysis of the internal and external environment of the company.

1.2 Strategic analysis

A strategic marketing analysis involves a detailed marketing audit which has bee defined as "a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities with a view of determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance" (Kotler, Gregor & Rogers, 1977, p25-44).

This thesis focuses on a strategic marketing analysis of a new employment website company on the Czech market. The aim of the strategic marketing analysis of the chosen company will be to recommend, based on the findings of the analysis, an appropriate penetration strategy.

Strategic management analysis steps consist of an external and internal analysis, as portrayed in the figure 1.

Figure 1: Strategic analysis demonstrated

Adapted from: David A. Aaker, Damien McLoughlin (2009). *Strategic Market Management*. John Wiley & Sons. p.11

An external analysis involves an examination of the relevant elements external to an organization - customers, competitors, markets and submarkets (known as the micro-environment), and the environmental or context outside the market (known as the macro-environment) (Aaker & Mcloughlin, 2009, p.11).

After conducting a strategic marketing analysis a company will be able to understand its position in the environment that surrounds it, identify its internal strengths and weaknesses and external opportunities and threats. For the purposes of this thesis and the employment website company www.aulinks.cz the following tools will be used in the external analysis:

- Environmental factors – PESTLIED analysis
- Market/submarket analysis - porter's five forces analysis
- Customer analysis
- Competitive analysis – strategic groups, competitive profile matrix.

In addition to the external analysis an internal analysis is also conducted which is an evaluation of the internal resources and capabilities of the company. The internal analysis examines the factors that have a direct influence on the business model. The analysis indicates, whether there are areas for improvement, and how well an organization fits its external environment (Ireland, Hoskisson & Hitt, 2008, p65-66.).

In the internal analysis of the chosen employment website compnay in this thesis the following auditing tool will be used: Marketing mix analysis.

The aim of the strategic analysis will be to identify, analyze and evaluate all relevant factors that may affect the process of defining objectives and the business strategy.

Summary

Strategic marketing advocates that companies should be able to find their differentiated strategic fit within their external environment with their internal resources. The strategic fit should help them to achieve their objectives and goals. Based on the situational analysis outputs a strategy will be recommend to www.aulinks.cz, which they can use to tailor their existing strategy on the market to meet their goals and objectives.

Chapter 2.0: External analysis

The external analysis concentrates on four distinct spheres: customers, competitors, industry and environment. Examination of each area, will help uncover opportunities and threats in an ever-changing environment that will help in developing alternative strategies and, ultimately, in achieving a competitive advantage. That will allow companies to increase their market share (Paley, 2006, p.56).

The external environment can be split into two parts: macro environment and micro environment. The micro environment is made up of factors that are close to the firm and affect it on a 'day to day' basis, usually linked to industry factors. The macro environment is made up of factors that affect the firm on a long-term basis. It is important to address both the macro and micro external environment analysis, before conducting an internal analysis. Following from this, the strategic analysis outputs will help to determine the strategy.

2.1 Macro analysis

This thesis uses the PESTLIED analysis to address the macro environment of www.aulinks.cz. The PESTLIED analysis is an elaboration of the traditional PEST analysis. A PEST analysis is concerned with identifying and understanding PEST factors influencing the organization. Specifically, how political, economic, social, or technological developments can influence a company and their industry. Once the factors are identified, conclusions can be drawn concerning the critical opportunities and threats facing the organization. PEST analysis is not a rigorous analytical tool, but, rather, a broad framework to help managers understand their organizations macro environment (Frynas & Mellahi, 2011, p45).

Advantages The PEST analysis provides an understanding of the wider business environment. This may raise awareness within the management of threats to their company. Therefore, the analysis can help an organization to foresee future difficulties and take action to avoid or minimize their effect. The PEST, analysis can also be

beneficial to organizations as it can help them spot opportunities in their markets or even outside them, which they can exploit.

Disadvantages The PEST analysis only covers the external environment therefore the findings need to be considered with other findings from the microanalysis and the internal analysis. Another drawback of a PEST analysis is that the rapid pace of change in today's society makes it more and more difficult to anticipate development that may influence the organization and its industry in the future.

PESTLIED Factors affecting the macro environment:

Political-Legal Factors

The political and legal environment consists of laws, governmental agencies, and pressure groups that influence various organizations and individuals. Among political and legal factors are included regulations on tax laws, antitrust laws, laws regulating employment, laws regulating businesses and many more (Kotler & Keller, 2011, p84). On the 1st of May 2004 Czech Republic has joined the European union therefore business are being influenced by the European legislation. The framework for business activities in certain markets can be very closely regulated by the state this can happen usually when the markets are politically sensitive.

Economic Factors

Economic factors usually have a direct impact on the working of business. How well an economy is doing can be sometimes in very positive correlation of how well an organization is doing. Economic factors include economic growth, interest rates, exchange rates, the inflation rate, Federal Direct investment, purchasing power etc. These factors have major impacts on how businesses operate and make decisions. Some changes in economic factors may be beneficial for one company and threatening for another one (Jain, Trehan & Trehan, 2010, p80).

Social-Demographic Factors

Demographic factor developments often change at fairly predictable way. The main factors that are usually monitored are population size, growth rate in cities, regions, and nations, age distribution, educational levels, household patterns, regional characteristics and movements, trends, lifestyles, mobility of labor force and consumer behavior (Kotler & Keller, 2011, p75). Companies should monitor social demographic trends to be able to adapt their goods and services to the current needs of the market place this will allow them in to increase sales.

Technological Factors

Technological factors include aspects such as R&D activity, automation, technology incentives and the rate of technological change. These factors can influence economic factors as well. Technological developments can either positively or negatively impact the operations of a business. Therefore a company should make sure that their business is not threatened by a technological development. Also the company should not fall behind their competitors in technological developments (Kotler & Keller, 2011, p73).

International Factors

International factors might include exchange rate changes, wars, or instability in other parts of the world that may influence how a company functions. These factors can influence Federal Direct investment or immigration end emigration trends worldwide sometimes benefiting or harming recruitment agencies business.

Environmental Factors

Environmental factors include ecological and environmental aspects such as weather, climate, and climate change, which may affect an industry in a beneficial or harmful way. Due to the climate change many business are changing their operations, which can have an affect on other industries as well.

Summary

The aim of the PESTLIED analysis will be to analyze and identify those individual factors, which may affect www.aulinks.cz's operations and strategy. Attention will be paid to those factors, which may be an opportunity or a threat to the company in the long-term.

2.2 Micro analysis

Microenvironment analysis should focus closely on the factors that have a direct impact on a company's business operations and success. For a sufficient environmental analysis a full microanalysis should also be carried out with a macro analysis. To some extent, companies have some sort of control over their microenvironment. In the microanalysis the market, customers, and competitors should be analyzed very preciously.

2.3 Customer analysis

After analyzing the external environment the next logical step would be to analyze the customers. The employment websites market is a B2B market. The customers in this market are other businesses therefore the customer analysis should be conducted from this perspective.

2.3.1 Segmentation

Segmentation is often the key to developing a sustainable competitive advantage. Segmentation means the identification of customer groups that respond differently from other groups to competitive offerings. It is almost impossible to satisfy the needs of the whole market in the same way. Customers have different preferences and require different approaches. When segmenting the company divides the market according to certain traits and characteristics, then they chose different strategies for their target markets. Companies choose from the different segment which one to target and communicate with. A successful segmentation strategy is when a company is able to create a dominant position in a market segment that competitors will be unwilling or unable to attack successfully.

According to investopedia.com generally three different criteria's should be used to identify different market segments:

1) Homogeneity – the subjects grouped into one segment should have common needs.

2) Distinction – segments should be unique from each other.

3) Reaction – subjects grouped into one segment should have a similar response to the market changes.

2.3.2 Process of market segmentation

The process of market segmentation consists of four stages:

1. Definition of the market
2. Choosing segment-defining variables
3. Defining the segment.
4. In-depth analysis of the motivations of the segments

Definition of the market

In this stage we specify the market that we are going to segment. In the practical part of the essay the recruitment agency market in the Czech Republic will be segmented. It is necessary to define the services provided on the market to be able to segment it successfully. The services that are provided most commonly on the market are personnel leasing, temporary help and recruitment.

Choosing the segment-defining variables

In this stage the appropriate segment-defining variables should be chosen. The variables should help to create segments in accordance with the criteria of homogeneity, distinction and reaction. A common approach in business-to-business markets is to apply market segmentation based on firmographics. (Hague & Harrison, 2014). Firmographics are factual information about a business consumer. Firmographic information is useful for business-to-business marketing and is quite accurate for segmenting markets to determine the potential buyers for a specific product or service (SCN Education B.V., 2000). The following variables (adapted from: Brennan, Canning & McDowell, 2014) can be used in the firmographics segmentation process:

- Industry – Industry firmographics refer to the activities of the firms. Industry types can be used for market segmentation. In the Czech Republic the dominant business segmentation variables can be considered those associated with CZ-NACE.

- Location – location firmographics refer to where the business is located. Firms may be targeted according to their distance from a central location. Usually customers who are far away are not targeted due to cost issues or competitive pressures. Therefore businesses in certain industries can be compared accordingly to location.

- Customer size – customer size in firmographics refers to the size of clients the company has. Can be associated with small to midsized companies. Number of employees, number of locations and number of plants should also be taken into account. The customer size variable is important because it helps to understand the scope of the service the customer will need.

- Status and structure – status and structure firmographics refers to the relation of one organization to another, or it can refer to the legal status of an organization. Organization can be categorized as being independent businesses, part of a larger parent company, and headquarters of a parent company. Companies can also be classified as stand-alone entity, a franchisee of an organization, subsidiary of a larger organization. Or the segmentation can be conducted on the basis of categories such as sole proprietorship, limited liability corporation, limited liability partnership, private corporation, or public shareholder-owned corporation. It is very important to categorize the organization by status and structure because this will help to understand the buying process, reliability, and overall potential of the customers.

- Performance – performance firmographics refers to the characteristics of firm's operational performance on the market compared to its competitors. The years of

a firm's existence, rate of growth or decline, profits and losses, changes in the financial situation, their market size, number of potential customers, market structure, market share, industry lifecycle, product lifecycle and average sales cycles. Firms in the same industry of relatively similar size but undergoing different rates of growth or decline are likely to have different demands for business services. Therefore these quantities can be very useful segmentation variables.
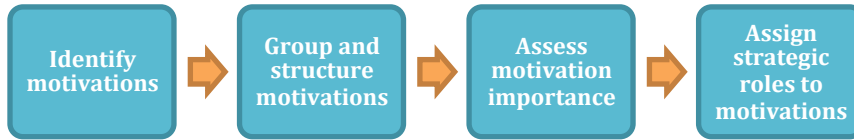
Defining the segment

After the company choses the segment-defining variables, the next step would be to divide the market into these segments that meet the conditions of homogeneity, distinction and reaction.

In-depth analysis of the motivations of the segments

After identifying customer segments, the next step is to consider their motivations. It is important to analyze what lies behind their purchase decisions? And how does that differ by segment? The needs of the segments should be analyzed here. Motivations such as price, quality, reliability, convenience and etc. should be analyzed. Some motivations will help to define a company's strategy. Some motivations may not help define the strategy but should be addressed by the company if they want to survive on the market.

In figure 2 we see how companies can analyze and utilize on customer motivations in specific segments.

Figure 2: Customer motivation analysis.

Retrieved from: (David A. Aaker, Damien McLoughlin (2012). *Strategic Market Management: European Edition*. 2007 John Wiley & Sons ltd. p 32)

Summary

By segmenting the market the company will be able to analyze in detail the individual segments and ultimately understand them. When they will understand the motivations and needs of the segments they will be able to target them with appropriate communication and business strategies. Such an approach will help a company to successfully meet their client's needs and wants. A segmentation analysis may also help a company identify any unmeet needs on the market, which they can utilize on, if the segment is worthwhile.

For segmenting the clients in the employment websites market in the Czech Republic information will be used from the PESTLIED analysis and the market research conducted in year 2015. On the basis of this a strategic recommendation will be provided for the chosen recruitment agency operating on the market. The strategic recommendation will aim to increase the company's sales a.

2.4 Competitor analysis

Competitor analysis is the second stage of the external microanalysis. It aims to obtain or maintain a sustainable competitive advantage (Fleisher & Babette, 2007, p.9). The analysis should aim to identify threats and opportunities created by existing or potential competitor moves. The strengths and weakness of existing competitors should also be examined. Aaker and McLoughlin, 2012, offer two approaches on how competitors can be analyzed:

The first approach is called the "Customer-based approach". It is build on the principle that in the real world, the customer is never restricted to a firm's direct competitors but is always prepared to consider other options, also known as substitute products. In this approach companies have to ask what choices are customers making? This approach tries to group competitors from the perspective of the buyer's choice. To be able to conduct such an approach extensive surveys and focus groups should be conducted. Which will utilize much more resources than is available for this thesis. For this reason this approach will be not conducted in the practical part.
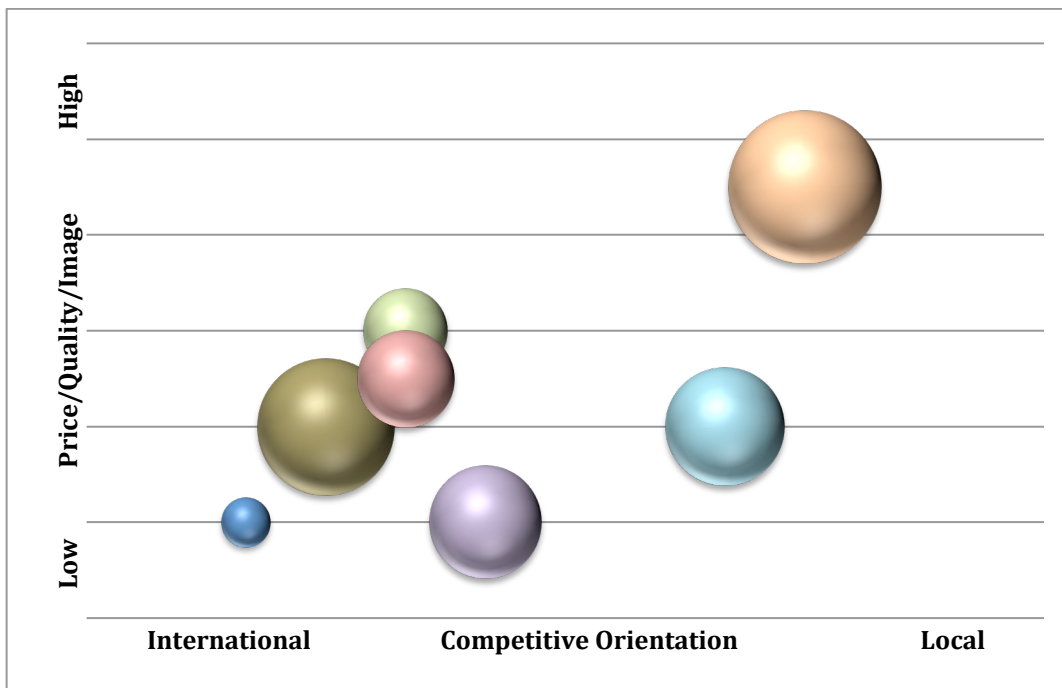
The second approach aims to place competitors in strategic groups on the basis of their competitive strategy. When the groups are identified the company should focus on understanding their strengths and weaknesses.

2.4.1 Strategic Groups

For understanding the competitive environment of the market the competitors will be organized into strategic groups. A strategic group is a group of firms that over time pursue similar competitive strategies. The firms in each individual group can have same distribution channels, communication strategies or the same price/quality position. They could also be similar in size and aggressiveness (West, Ford & Ibrahim, 2010, p80).

In Graph 1 we can see an example of a strategic group analysis where the strategic variables are (price/quality/image) and competitive orientation. According to which the categorization is conducted. The size of the circle reflects the overall market share of the strategic group.

Graph 1: Illustration of a Strategic group analysis

Adapted from: (Charles Hill, Gareth Jones (2009). *Strategic Management Theory: An Integrated Approach*. Cengage Learning. p68).

Usually firms find it difficult to move from one strategic group to another because of mobility barriers.

Strategic group analysis is helpful because many industries contain many more competitors than can be analyzed individually. Little strategic content and insight usually is lost in this analysis because companies within a strategic group usually react to industry changes in similar ways. Ultimately this analysis helps to identify who are the most direct competitors of the company, how likely are companies to move within the strategic groups and identify opportunities or strategic problems (West, Ford & Ibrahim, 2010, p81).

While the strategic group is a useful concept, the value of the analysis is more of a descriptive than a predictive tool. It is unlikely to offer much insight into why some firms in an industry are more profitable than others. For this reason further analysis of the competitors of the chosen companies strategic group will be analyzed.

2.4.2 In-depth analysis of competitors within a specific strategic group.

After the strategic groups have been identified the most direct competitors of a company should be analyzed in-depth. The following eight elements of the competitors should be analyzed (Aaker and McLoughlin, 2012).

1. Size, Growth and profitability
2. Image and positioning strategy
3. Objectives and commitment
4. Current and past strategies
5. Organization and Culture
6. Cost Structure
7. Exit barriers
8. Strengths and weaknesses

2.4.3 Competitive profile matrix (CPM)

After the in-depth analysis of the direct competitors has been conducted. The position of the competitors should be summarized with respect to their assets and competencies. A competitive profile matrix will help to summarize the strengths and weaknesses of the major competitors (Rao, Parvathiswara & Sivaramakarishna, 2009, p.121).

In table 1 we can see an example of CPM. CPM evaluates key success factors from 1 = major weakness to 10 = major strength. It is also then weighted according to the key success factors importance, 0.0 = not important to 1.0 = very important. We can see that competitor 2 gained a higher rating (34) than the analyzed company (28), but when the key success factors are weighted according to their importance we see that the two companies have scored identically of 6.8 points.

In the practical part the key success factors will be chosen according to the available information. This evaluation will be appraised subjectively according to the available information and research conducted.

Table 1: Illustration of a Competitive Profile Matrix (CPM).

Key Success Factor	Weight	Analyzed Company		Competitor 1		Competitor 2	
		Rating	Weighted	Rating	Weighted	Rating	Weighted
Customer focus	0.2	8	1.6	7	1.4	9	1.8
Economies of Scale	0.3	7	2.1	4	0.8	8	1.6
Reputation	0.2	8	1.6	4	0.8	9	1.8
Price Competitiveness	0.3	5	1.5	7	1.4	8	1.6
Total	1	28	**6.8**	22	**4.4**	34	**6.8**

Adapted from: (Rao, Parvathiswara & Sivaramakarishna (2009). *Strategic Management and Business policy.* Excel Books India. p.121.).

A competitive advantage can only be achieved if a company is superior to its direct competitors in one or more assets or competence areas that is of great importance in the industry. Therefore, each competitor's strengths and weaknesses with respect to their assets and competences are central to strategy development and evaluation (Porter, 1998, p33-36).

2.4.4 Potential Competitors

Once the existing direct competitors have been identified and analyzed it is necessary to identify future competitive threats. This is likely to happen if there are high profit margins in the industry, unmet demand, and low barriers to entry or high potential growth rate. Clients may also decide to integrated backwards/forward. It is necessary for companies to take this threat into consideration when developing their strategies.

Summary

The competitive analysis can help a company to understand the competitive forces in the market. It is inevitable for an organization to know with whom are they competing and what resources do they operate. In this way they will be able to chose an appropriate strategy.

2.5 Market Analysis – services

Economists define a market as a "setting where buyers and sellers establish prices for identical or very similar products, and exchange goods and/or services" (Economics Wisconsin, 2005). But this simplified explanation is difficult to use for marketers. To define the boundaries of the market is not enough. For companies to choose the correct strategy they need to conduct a detailed microanalysis to identify where and how they stand on the market how does the market behave and what are its trends and who are the "sellers" in the market.

As Aaker & Mcloughnlin (2009) said the primary objective of a market analysis is to determine the attractiveness of a market (or sub-market) to current and potential participants. Market attractiveness, potential profits compared to return on investment of the participants will provide important information as to the investment decisions of current and potential participants of the market.

The second objective of market analysis is to understand the dynamics of the market.

The most important market characteristics that influence the formation of a company's strategy are:

- Actual and potential market and submarket size by sales volume and value.

- Type of market Business-to-Business or Business-to-Customer, this is important because company strategies have to be adapted to the buyers needs.

- Geographical scope – In which territory does the company operate and which territory has a direct influence on the company's strategy.

- Market structure – identifying strategic groups, with which companies will a market really compete. Is it possible to identify within the market a group of companies with a similar strategy?

- Market and submarket growth

- Market trends and developments

- Power of suppliers

- Entry barriers – How high are the entry barriers? The higher the entry barriers on the market the lower the competitive scale of the market; vice versa.

- Exist barriers – How high are the exist barriers? If there are high exist barriers, the market will become more competitive because participants can not exist easily with low costs, and will decide to stay and compete on the market, as changing the marketplace is to expensive for a participant; vice versa.

- Cost structure – The cost structure of the companies in the market is analyzed. Where do companies have to invest money to be able to meet their clients wants and needs?

- Key success factors – what are the operations that every company has to do to stay on the market? How differentiated are the products/services in the market? A high level of service differentiation means that buyers are not able to change their contractor easily and with low costs, a low level of differentiation between services means that buyers are able to easily and with low costs to switch between contractors.

2.5.1 Type of market B2B or B2C

Employment website company meet the needs of employees and companies. But employees cannot be considered to be the company's customers, as they do not pay for the service provided to them. On the contrary employment websites usually have pricing strategies targeted at companies who need to post vacant job positions or want to

headhunt potential employees. Employment website companies operate in a business-to-business market.

It is important to understand the characteristics and essence of a B2B market compared to a B2C market before a market situational analysis could be conducted. Subsequently on the basis of this a recommendation can be made.

Companies that operate in B2B markets sell goods and services to other companies, who use them in the production of other products or services, which are sold, rented or supplied to other companies. Nevertheless, nearly all companies are engaged in business-to-business transactions as even most manufactures of consumer products resell their products to retailers or wholesalers (Kotler, Burton, Deans, Brown & Armstron, 2012, p220).

The nature and complexity of industrial products and services - Business markets can be broken into these markets:

1. Materials and parts (raw materials, manufactures materials, and parts)
2. Capital items (buildings/equipment used in buyer's production/operations)
3. Supplies and services (operating supplies, repair/maintenance item) (Kotler & Pfoertsch, 2006, p.25).

The main differences of business markets compared to consumer markets are found in:

- Organizational buying - huge complexity, employees thru out the organization can contribute with their knowledge to the buying decision.

- Buying center – due to the many decisions involved in the buying process involves forming a group of employees responsible for the purchase.

- Due to the high costs involved with a B2B purchase the buyer often asks for pilot services, prototypes, samples and mock ups to try to mitigate risk.

- The nature and diversity of industrial demand – Industrial demands and needs are complicated. They change on a constant basis.

- There is a significant lower amount of customers than in a business-to-customer market.

- Nevertheless there a lot higher sales volumes per customer

- Closer and longer-lasting supplier-customer-relationships are established in business-to-business markets than in business-to-customer markets (Kotler & Pfoertsch, 2006, p.33-35).

Many acknowledge that the successful companies operating in B2C markets use their brands as strong and long-lasting assets. Brands serve exactly the same purpose in B2B markets as they do in consumer markets.

Brands help B2B companies to differentiate themselves from the competition. "They are an effective and compelling means to communicate the benefits and value a product or service can provide.
They are a guarantee of quality, origin, and performance, thereby increasing the perceived value to the customer and reducing the risk and complexity involved in the buying decision (Kotler & Pfoertsch, 2006, p.3)."

Brands can help companies to charge a premium price to their customers if their brand is strong. Also companies who concentrate their resources into their brands can benefit from clarity of focus that can provide them with more effectiveness and competitive advantage.

Mckinsey & Comapny together with the Marketing Centrum Muenster (MCM), revealed that the most important brand functions in B2B markets are:

1. Increase information order
2. Risk Reduction
3. Value-added / Image benefit creation

2.5.2 Porter's five forces

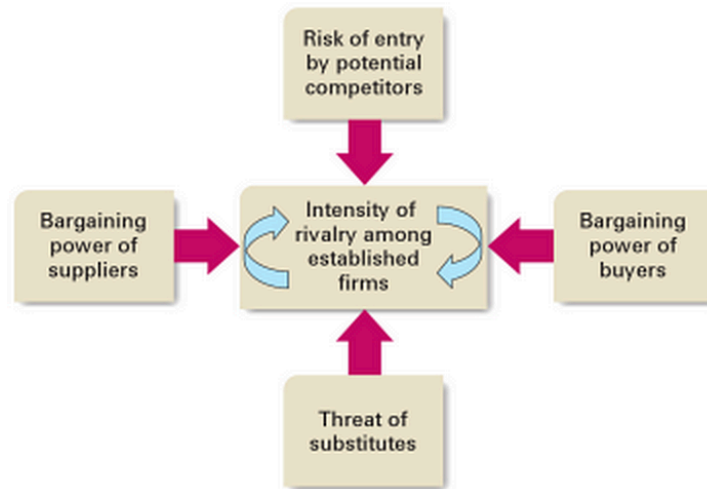An important characteristic of a market is the competitive forces prevailing in it. The aim of this analysis is to examine the fundamentals of competition in the industry. Competitive forces directly affect the company's competitive position and level of success. Competitive forces include the position of the company on the market, customer structure, reputation among creditors and suppliers and ability to attract skilled workers. The competitive environment is shaped by the specific conditions in a specific market. Michael porter analyzes the competitive environment with his five forces model (Hill & Jones, 2009, p.42).

Once industry barriers have been identified, companies have to analyze competitive forces in their industry environment, to see how their operations can be affected. The market forces are represented in picture 1. Porter argues that the stronger each of these forces is, the more limited is the ability of established companies to raise prices and earn greater profits.

Picture 1: Porter's Five Forces Model.

Retrieved from: Hill & Jones, 2009, p.43. *Which was adapted and reprinted by permission of Harvard Business Review From "How competitive Forces Shape Strategy," by Michael E. Porter, Harvard Business Review, March/April 1979.*

Risk of entry by potential competitors

Potential competitors are companies that are not currently competing in an industry but have the capability to do so if they choose. Established companies usually try to barrier themselves from potential competitors entering the market. As the more competitors there are the more it is difficult for established companies to save their market share. A high risk of entry by potential competitors represents a threat to the profitability of the companies already on the market, as new competitors will most likely drive down prices and profits of the industry. However if there is a low risk of new entry, companies can dictate high prices and enjoy higher profits (Hill & Jones, 2009).

Some of the most common factors that can have an affect on how much of threat new entrants may pose:

- Economies of scale
- Capital Requirements
- Brand Loyalty
- Absolute Cost Advantages
- Customer Switching costs
- Government Regulations

Depending on the industry different factors will prevail (Magretta, 2013).

Threats of substitutes

According to Joan Magretta substitutes are products or services that meet the same basic need as the industry's product in a different way. The analysis of this force is important because if a close substitute exists this will be a threat to the industry: it will limit the price level that companies can charge for their product or service, which also limits industry profitability and vice versa. It is important to identify the potential substitute products and services because they are not direct rivals and can come from unexpected places which can have unexpected shocks on the company or the industry as a whole (Magretta, 2013).

The level of threat of substitute products or services can be determined by the following factors:

- Buyer switching costs
- Relative price performance of substitute
- Perceived level of product differentiation

Bargaining power of buyers

The bargaining power of buyers refers to the ability of buyers to bargain down prices charged by companies in the industry, or to raise the costs of companies in the industry by demanding better product quality and service (Hill & Jones, 2009). Strong buyers can lower prices and raises costs of companies, resulting in lower profitability of the industry.

The level of threat of the bargaining power of buyers can be determined by the following factors:

- Many small suppliers, few large buyers
- Buyers purchase in large quantities
- Buyers purchase input from several companies
- Buyer switching costs relative to firm switching costs
- When buyers can enter the industry and satisfy their own needs.

Bargaining power of suppliers

The bargaining power of suppliers refers to the ability of suppliers to raise input prices, or to raise the costs of the industry with their products or services. Powerful suppliers are able to reduce profits of an industry by raising the costs of companies in the industry and vice versa. Powerful suppliers are a threat to the industry.

The level of threat of the bargaining power of suppliers can be determined by the following factors:

- Suppliers products/services have few substitutes
- Importance of industry to the supplier
- Companies switching costs relative to suppliers switching costs
- Suppliers have the possibility to enter their customer's industry with their inputs
- Companies do not have the opportunity to enter their suppliers industry

Rivalry among established firms

This force refers to the competitive wrestle between companies within an industry in order to capture market share from each other. Companies usually compete on market share using price, product design, advertising and promotional spending, direct-selling efforts, and after-sales service and support. Intense rivalry in the market leads to low prices and high costs, profits in the market evaporate. Alternatively, the less intense the rivalry, the higher the prices can be set with lower costs achieving higher profits. For many industries this force is the major determinant of the competitiveness of the industry. Potential factors that can affect rivalry among established firms are:

- Industry competitive structure - the number and size distribution of companies in the market. The more competitors there are the greater the rivalry will be. The market also can be structured as an oligopoly or monopoly. If the majority of the market share belongs to a few companies, than the small companies usually have little chance to change their position.

- Market growth - slow growth in the market usually provokes battles over market share. High growth on the other hand concentrates the companies' resources onto attracting and retaining the new customers.

- Exit barriers - High exit barriers prevent companies from leaving the industry. This can happen when companies have invested in specialized assets that cannot be sold.

- Fixed and marginal costs - If companies have high fixed costs and low marginal costs prices will be lowered because each additional customer will contribute to covering overhead costs.

- Switching costs – The lower the switching costs the customer has switch to other brands the higher the rivalry will be in the market. On the contrary, the higher the

switching costs the customer will have the lower the rivalry will be in the market because it will be resourceful for the customer to switch. Therefore customers will only switch in critical situations.

Andrew Grove, the former CEO of Intel, has argued that Porter's Five Forces Model ignores an important sixth force: the Complementors. Complementors are companies that sell products and services that add value to products of companies in an industry because, when used together, the use of combined products better satisfies customer demands (Hill & Jones, 2009). An example would be software applications and personnel computers. The more their is high-quality software applications the greater the value of personal computers to the customers, resulting in increased demand of personal computers, and an increase of the overall industry profitability level of personal computers.

2.5.3 Key success factors

An important output of market analysis is the identification of key success factors (KSFs) for strategic groups in the market (Aaker & Mcloughlin, 2012, p.73). Key success factors are assets and competencies that are necessary to have to compete successfully on the market. There are two types strategic necessities and strategic strengths. Strategic necessities do not provide a competitive advantage but without them the company will not be able to compete on the market. Strategic strengths on the contrary provide a competitive advantage, these are the assets or competencies of the company that are superior to its competitors. It is important in identify the most critical assets and competencies in the present and the likely KSFs in the future. Many firms have failed to identify the changing KSFs and thus have lost substantial market shares.

Summary

Industrial buyers are constantly monitoring the market, they are well aware of the costing levels, specifications, of the products or services. In many cases they know nearly everything about the products or services offered on the market. Therefore if a company wants to be successful in a B2B market it is necessary to clearly define and target the appropriate segment. In the long run, a strong B2B brand will diminish the perceived risk for the buyer and assist in selling the brand.

Therefore in the internal analysis a simple brand analysis of the chosen employment website company will also be conducted; to make sure the company communicates what it believes it stands for.

In the practical part of the market analysis of this thesis the size, growth rate, trends, developments, submarkets and cost structures will be identified of the employment websites market in the Czech Republic. The Porter's five forces model will define the market and should help to identify the key success factors.

Chapter 3.0: Internal analysis

After the external analysis has been conducted it should be supplemented with an internal analysis. The internal analysis is an evaluation of internal resources and capabilities of the company. The analysis should be based on specific, current information on sales, profits, costs, organizational structure, management style, and other factors. The ultimate goal of an internal analysis is to identify organizational strengths, weaknesses, and constraints with the help of which responsive strategies exploiting strengths or compensating for weaknesses can be developed.

In the internal analysis a performance analysis, marketing mix analysis and a brand analysis should be conducted.

As www.aulinks.cz is a new market participant on the employment websites market in the Czech Republic the performance analysis in this thesis will not be conducted because sufficient data for this analysis is not available, yet.

3.1 Marketing mix

Philip Kotler has defined marketing mix as "the set of controllable variables that the firm can use to influence the buyer's response." The components of the marketing mix may be regarded as the core of a company's strategy. Which is why it is reasonable to analyze the present marketing mix and how the company has chosen to address the market. The marketing mix consists of the following four components:

1. Product – This element describes the product or itself.
2. Price – The pricing strategies and objectives are summarized here.
3. Promotion – Strategies that persuade and attract costumers are summarized here.
4. Place - Refers to the channels and locations for distributing products or delivering service.

3.2 Brand analysis

In business-2-business markets the strength of a brand is one of the underlying key success factors. Therefore a brand analysis should be conducted. What do the customers think of it? What are its associations? What is the perceived quality of the brand? These are the types of questions that need to be asked in a structured survey.

Summary

As www.aulinks.cz is a new market participant on the employment websites market in the Czech Republic the performance analysis and brand analysis in this thesis will not be conducted because sufficient data for this analysis is not available, yet. Nevertheless a marketing mix analysis will be conducted. The findings from the internal analysis will have to be scrutinized with respect to the findings from the external environment.

Chapter 4.0: Strategic analysis output

When the strategic marketing analysis has been conducted the main takeaway points should be summarized in a SWOT analysis. This is important because strategic decisions should be based firstly on organizational strengths and weakness, secondly on competitors strengths and weaknesses, and strategies, and thirdly on the competitive context, the customers and their needs, the market, and the market environment (Aaker & Mcloughlin, 2012, p122). This relationship is portrayed in figure 3.

A SWOT analysis helps to summarize the main points from the above-mentioned matters. Which will help to develop a penetration strategy for www.aulinks.cz, which should allow them to obtain a sufficient amount of the market.

Figure 3: Structuring Strategic decisions

Adapted from: (David A. Aaker, Damien McLoughlin (2012). *Strategic Market Management: European Edition*. 2007 John Wiley & Sons ltd. p 76)

4.1 SWOT analysis

A SWOT analysis bounds both the internal and external environments of the firm. Internally, the tool, considers a firm's strengths and weaknesses on key issues such as financial performance, human resources, customer perceptions, product quality or product availability. The external environment encompasses information about the market and its participants, economic conditions, social trends, technology, and government regulations (Ferrell & Hartline, 2012, p85). The SWOT analysis consists of the following four elements:

1. Strengths – features of the business that give it an advantage over its competitors.
2. Weaknesses – features of the business that place the company at a disadvantage relative to their competitors.
3. Opportunities – external conditions that company could exploit to its advantage
4. Threats – external conditions that could cause trouble to the company.

Summary

A SWOT analysis is a useful decision-making tool it can help companies to set achievable goals and objectives. The analysis summarizes relevant and meaningful information, which can be used to choose an appropriate strategy.

In the recommendations part of this thesis, a strategic decision will be recommended to www.aulinks.cz based on the findings from the strategic marketing situation analysis.

Chapter 5: Strategic Analysis of the Job Portals in the Czech Republic

5.1 Macro Analysis

The PESTLIED analysis is used to characterize the external macro environment of aulinks.cz.

Political-Legal factors

The Czech Republic is a pluralist multi-party parliamentary representative democracy, with the Prime Minister as head of government. In a 1999 administrative reform the Czech Republic has been divided into thirteen regions, with Prague as the Capital. In each region there is an elected regional assembly (Czech: *krajské zastupitelstvo*) and regional governor (Czech: *hejtman*) (Vuletic, 2003, radio.cz). An important landmark in the Czech political and legal environments was the accession of the Czech Republic to the EU on 01.04.2004. The Czech Republic had to undergo a large number of legislative changes that had a significant impact on the day-to-day business activities of companies. These tightened requirements were in technical and environmental issues.

EU Funds: € 23.83 Billion for 2014-2020

As Czech Republic is a member of the European Union, Czech business can benefit from structural funds and cohesion fund. These are financial tools set up to implement the Regional Policy of the European Union. [1] One of the programs from which IT companies can benefit from is the Operational Programme Enterprise and Innovation for Competitiveness (OPPIK). In the allocation process of European structural funds and investment funds the OPPIK program has been assigned 4.3 Billion Euros for the period of 2014 – 2020. The OPPIK program allows companies to obtain a grant in the following four priority areas Development of research and development, Support for small and medium-sized enterprises, More efficient energy management & Development of

---

[1] **Regional policy of the European Union (EU),** also referred as Cohesion Policy, is a policy with the stated aim of improving the economic well-being of regions in the EU and also to avoid regional disparities. The current Regional policy framework is set for a period of seven years, from 2014 to 2020.

information and communication technologies (oppik.cz, 2015). Such external help can benefit start-ups especially in the IT sector to get access to the necessary resources to further grow their business.
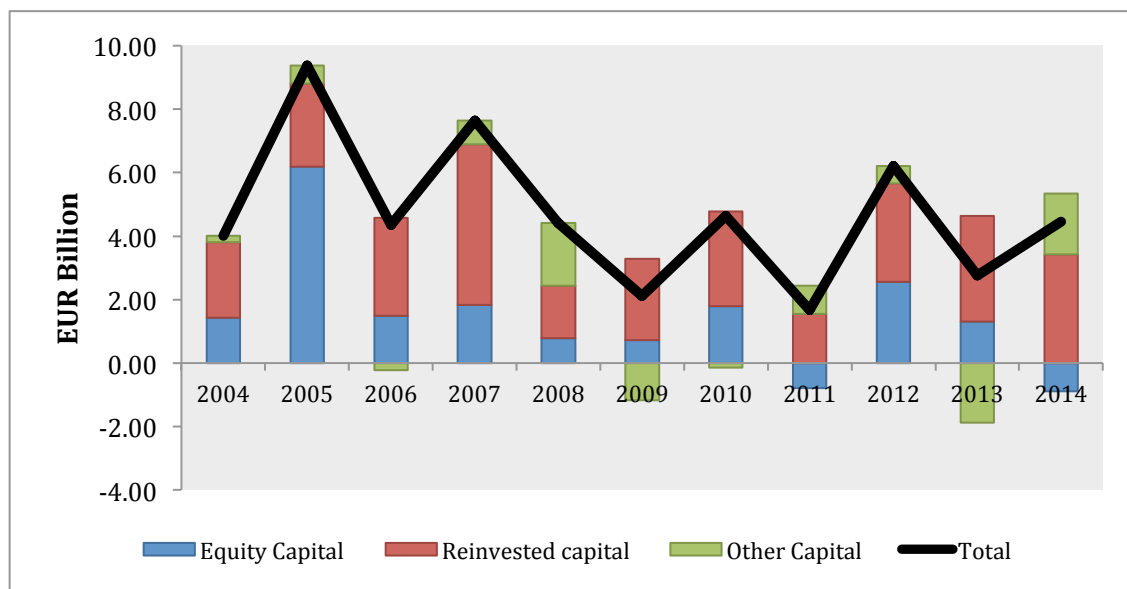
The companies electronic systems are intended for legal entities and individuals, for companies and non-business entities. The employment website is governed by the relevant provisions of Law no. 89/2012 Coll., The Civil Code, Act no. 101/2000 Coll., On Personal Data Protection Act no. 121/2000 Coll. and in accordance with the principles contained in the EU Directive no. 95/46 / EEC, The Copyright Act and other related legislation.

Economic Factors

Foreign Direct Investment

The Czech Republic is a small opened economy, which has managed to attract a relatively large size of foreign direct investment since the 1988 Velvet Revolution. In the late 1990s the Czech Republic adopted a policy to boost foreign direct investment into the country.

Graph 2**:** Foreign direct investment to the CR Inward flows

Data retrieved from: Czech National Bank, March 2015 *(https://www.cnb.cz/en/statistics/bop_stat/fdi/index.html)*

In graph 2 the inward FDI in Czech Republic and its three components[2] from years 2004 to 2014 are represented. We can see that from the year 2004 to 2007 the Czech Republics attractiveness to foreign investors in the Central European region started to decline. Capital flowed in the economy at an annual average level of 5% of GDP. In the period from 2008 to the 2014, a cardinal change was caused by the economic and financial crisis the average annual FDI inflow fell to 2.5% of GDP. The overall FDI inflow decreased mainly due to the decrease in investment in equity (cnb.cz, 2015). An advantage of FDI is that the host country will very likely see an increase in employment.

Table 2: Top 20 concluded investments in the Czech Republic, which will create the most jobs.

No.	Company	Investment CZK billions	Expansion/ New investment project	Jobs created
1	Nexen tire	22.8	NIP	1,400
2	Skoda Auto	7.2	EXP	1,700
3	Hyundai Mobis	4	NIP	900
4	Brose CZ spol s.r.o	2.65	EXP	810
5	Continental Automotive Czech Republic s.r.o	2.6	EXP	650
6	AL INVEST Břidličná, a.s.	2.4	EXP	50
7	Amazon	2.1	NIP	2,000
8	Pila Štětí | Labe Wood	1.95	NIP	160
9	KARSIT HOLDING, s.r.o.	1.8	NIP	300
10	Lego	1.73	EXP	600
11	Mölnlycke Health Care AB	1.6	EXP	220
12	Magna Exteriors & Interiors (Bohemia) s.r.o	1.55	EXP	210
13	CS CABOT, spol. s .r.o.	1.5	EXP	16
14	JC interiors	1.3	EXP	540
15	Wrigley	1	EXP	150
16	Skoda auto	0.7	EXP	200
17	Steelcase	0.65	NIP	300
18	Honeywell	0.25	EXP	300
19	Gonvarri	0.25	NIP	125
20	FUKOKU	0.06	NIP	50
	Total	**58.09**		**10681**

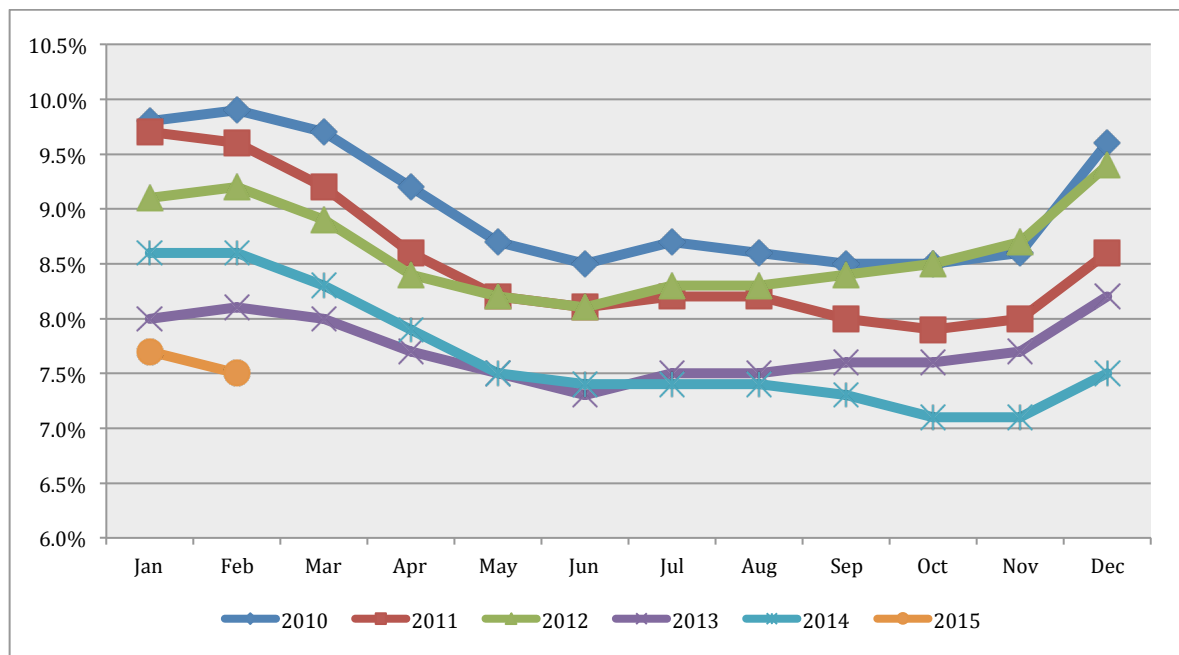Data retrieved from: (I. Menclova, 2014), (II. Menclova, 2014) & (ČT24, 2015)

---

[2] "**Equity capital** is the foreign direct investors' purchase of shares of an enterprise in a foreign country. **Reinvested earning** comprises the direct investors share of earnings not distributed as dividends by affiliates or earnings not remitted to the direct investor. **Other capital** covers the borrowing and lending of funds including debt securities and suppliers' credits between direct investors and subsidiaries, branches and associates." (Academic foundation, 2004, p313.)

In table 2 we can see the top 20 concluded investments in 2014 and early 2015 in the form of new investment projects or expansion projects of existing capacities. The investments in table 2 are also those that will create the most jobs compared to other investments. The top 20 investments altogether are expected to create new direct 10,681 jobs in the upcoming near future. These companies can choose to post their vacancies on job portals to find workers.

Unemployment

In 2014 and 2013, the Czech Republic managed to achieve an average unemployment level of 7.7%, which is a fairly good improvement since 2010 where the average unemployment level was 8.6% in 2012, 8.5% in 2011 and 9.0% in 2010. In graph 3 we can see that the unemployment level has been decreasing on average from 2010 to 2015. In January 2015 the year started with lowest unemployment level in the last five years.
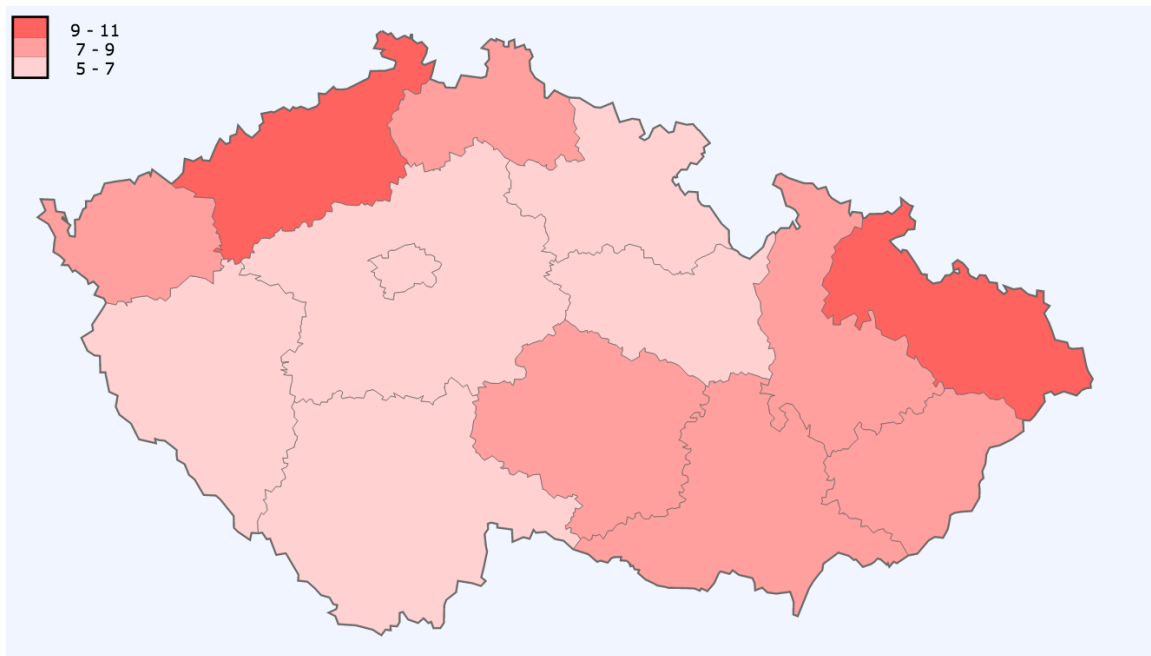
Graph 3: Unemployment Level in Czech Republic from years 2010 to 2015 compared by months.

Data retrieved from: The Ministry of Labour and Social Affairs of the Czech Republic, Unemployment statistics, march 2015. (https://portal.mpsv.cz/sz/stat/nz/mes)

The unemployment level is an important indicator for employment websites management. Because when unemployment is increasing more job applicants will be using employment websites to try to find work. On the contrary a decreasing unemployment level will mean employers will allocate more resources and time to employment websites to try to find the needed employees. Aulinks.cz is an employment portal, which targets all of the Czech territory therefore the unemployment level will be analyzed in all of the thirteen regions.

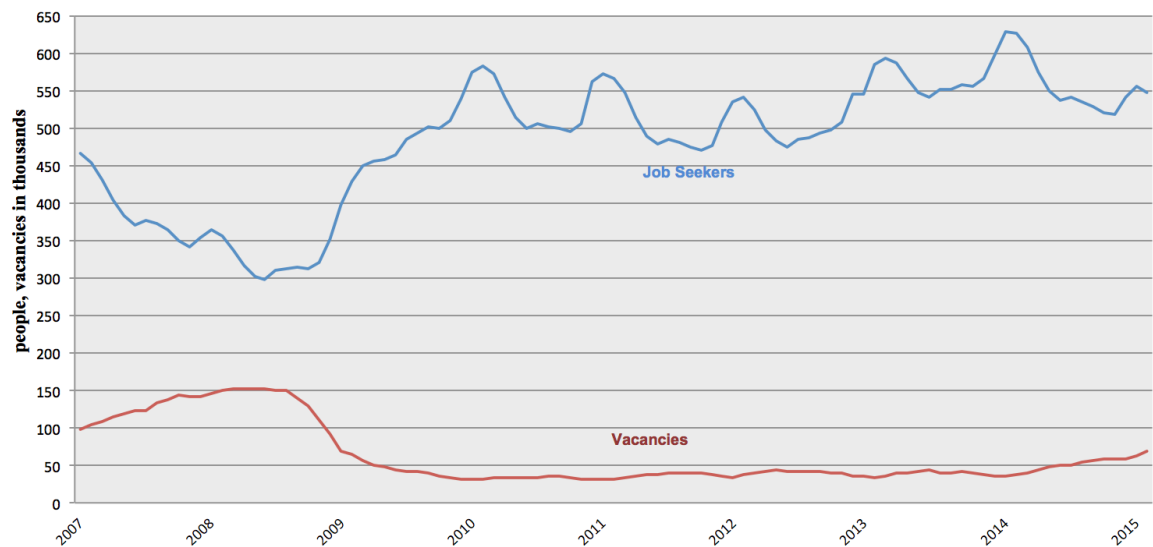Picture 2: Registered unemployment rate (%) by regions in Czech Republic as of 31.12.2014

Picture retrieved from: (Czech Statistical Office, 2014) Available at:
(http://vdb.czso.cz/vdbvo/mapdetail.jsp?cislotab=PRA0100PU_KR&kapitola_id=15&cas _3_47=20141231&)

The lowest unemployment rate in 2014 was in Středočeský kraj with an unemployment rate of 5.03%. Following it was Plzeňský kraj with 5.7%, and Jihočeský kraj 6.2%. The highest unemployment rate was in Ústecký kraj with 10.67% following it was Moravskoslezský kraj with 9.8% and Olomoucký kraj with 8,82%. The unemployment rate in Prague was 7.46% (Czech Statistical Office, 2014).

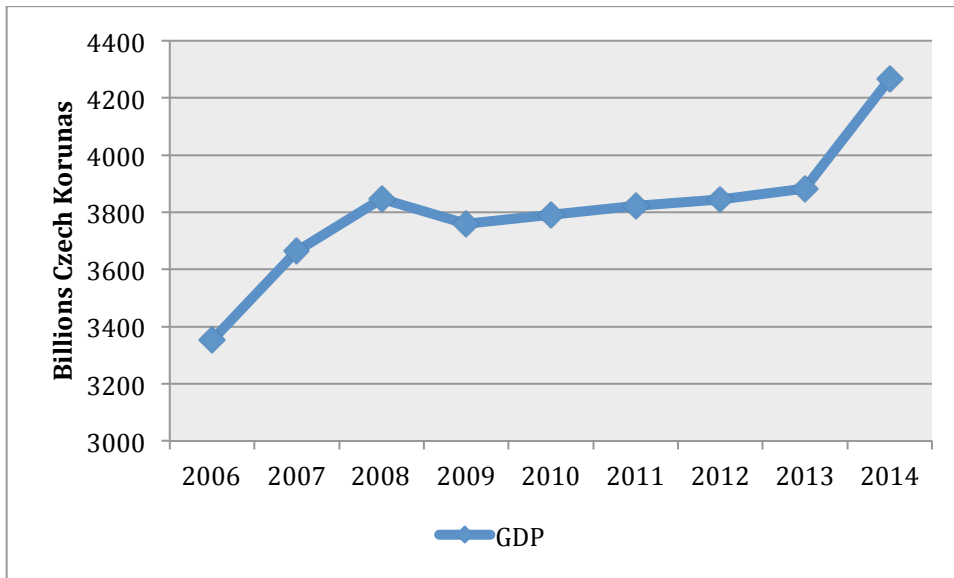Graph 4: Trends in the number of job seekers and vacancies in the Czech Republic from years 2007 to 2015.

Data retrieved from: The Ministry of Labor and Social Affairs of the Czech Republic, Unemployment statistics, march 2015. (https://portal.mpsv.cz/sz/stat/nz/mes)

Labor Office of the Czech Republic on 28.02.2015 filed a total of 548, 117 job seekers at its regional offices and their contact centers. This number was lower by 8, 074 people than the previous month, and lower by 77, 273 job seekers compared with the same period of 2014. The Labor Office of the Czech Republic on 28.02.2015 also filed a total of 68,971 vacancies. This is 6,714 higher than the previous month and 30, 670 more than in February 2014. The number is also the highest in the last five years. There was an average of 7.9 Job seekers per one vacancy (The Ministry of labor and Social affairs of the Czech Republic, march 2015).

Economic growth

In graph 5 we can see that in the midst of the economical crisis the Czech Gross Domestic Product experienced a drop. Since then the GDP has managed to increase year from year to a maximum high in 2014 since the velvet revolution. This a good sign as more economic activity means higher employment levels, which means employment websites will be in a higher demand.

Graph 5**:** Czech Gross Domestic Product from years 2006 to 2014.

Data retrieved from: (finance.cz, 2015) Available at: http://www.finance.cz/makrodata-eu/hdp/statistiky/vyvoj-hdp/

Inflation

Inflation is sustained increase in the general price level of goods and services in an economy over a period of time. Inflation reflects a reduction in the purchasing power per unit of money. Inflation rate is a measure of price inflation. Rapid inflation can discourage investment and savings.

Table 3: Average annual inflation rate in CR by years.

x	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Inflation Rate, %	1.9	2.5	2.8	6.3	1	1.5	1.9	3.3	1.4	0.4

Data retrieved from: Czech Statistical office, 2015. Available at:

(https://www.czso.cz/csu/czso/mira_inflace)

The average annual inflation rate in 2014 was 0.4%, which is a lot lower than the Czech National's bank of 2%. Growth in consumer prices was the lowest since 2003 and the second lowest ever. In a fear of a deflationary scenario and of its harmful effects the Czech Central bank weakened the Czech Crown by five percent. The CNB aims to maintain this this exchange rate commitment for the whole year. However the sudden fall in oil and commodity prices throughout Europe have a big influence on the Czech economy (Vaclav Trejbal, 2015). A low inflation/deflation can lead to economic stagnation and periods of high unemployment. A low inflation may also increase the real debt burden for citizens. A higher unemployment rate will mean that employment portals will experience an increase in visitors of job seekers.

Social-Demographic factors

Demographic trends

In 2013 the Czech population was 10.512 million citizens of, which 15% were in the age range from 0 to 14 years, 67.6% in the age range from 15 to 64 and 17.4% were in the age group 65 and more. The aging index[3] in the Czech Republic in 1989 was 57.4%, in 2000 85.5% and in 2013 115.7% (III. Czech statistical office, 2014). This indicates to us that the population in the Czech Republic is aging faster than there are newborn citizens.

---

[3] **The aging index** is calculated by (65+ / 0 -14 in %). It indicates how is a population aging.

Internet usage

In table 4 we see that the number of households who have connection to the Internet in the Czech Republic has increased by 278% from 2005 to 2014. Which is a positive trend for employment portals, as more people will get used to search for work thru the Internet.

Table 4: Czech households with connection to Internet

X	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Households with connection to Internet %	19.1	26.7	32.0	41.7	49.2	56.0	61.7	65.4	67.0	72.2

Data retrieved from: III. Czech Statistical office, 2014

According to Eurostat the use of Internet on mobile devices, by type of device as percentage of individual's aged 16 to 74 is 41% for any mobile device in Czech Republic in 2014. Specifically 37% of the individuals use laptops to connect to the Internet, 1% use tablet computers and 13% use mobile or smart phones for connection to the Internet.

Education level of the Czech Population

In table 5 we can see that Czech population is getting more educated. There has been a considerable increase in the number of citizens who have got higher education in 2013 compared to the previous years.

Table 5: Education levels of the Czech population aged 15 and over by results "Labour Force Survey"

	1993	2000	2006	2013
Total Citizens (thousands)	**8292**	**8586**	**8773**	**8952**
Basic education and no education %	27.6	24.1	19.4	14.8
Secondary school without Matura %	38.8	37.3	37.2	34.4
Secondary school with Matura %	25.8	30.0	32.6	33.9
Higher education %	7.8	8.6	10.8	16.9

Data retrieved from: IV. Czech Statistical office, 2014

Job seekers qualification

Even though the number of job vacancies has been increasing lately, the job seekers are usually not successful because they do not meet the requirements of the employers. According to the Czech Chamber of Commerce 60% of companies have problems to employ the right employees for their vacancies. According to them there is a deficit of skilled people particularly in technical professions. 35% of the surveyed CEOs have also stated that they predict that the greatest threat to their business in 2015 will be a lack of people with appropriate knowledge and skills.

CEOs have also stated that job seekers have to improve their expertise, learn new languages and keep up with new technologies if they want to meet the needs of the employers (Pravo, 2015).

How do job seekers look for work in Czech Republic?

According to research conducted by personal agency Hays, the majority of Czech job seekers search for jobs on employment portals. According to Hays, 48% of the job candidates use employment portals as the primary instrument to search for work opportunities. 49% of the candidates first contact a personnel agency to help them find work compare to only 35% of job candidates who first choose to contact the employer (Katerina Hovorkova, 2014).

Mobility of labor force

Czech Republic is a country with a low mobility of its labor force. Reasons for this can be found in its past regime known for its inflexible labor market and over-employment, traditional reluctance to move, and the practice of inheriting apartments (Marie Vavrejnova, 2003ADP, p2). The young usually flock to Prague for work most often they commute, or sleepover with friends in apartments.

According to the European Commission, Youth unemployment rate of 16.9% in 2014 in the Czech Republic is just below the European average 22.8%. According to the Czech Statistical office, the unemployment rate between high school graduates is around 15%, between secondary school graduates without Matura 30% and 80% for youths with basic education.

Finding a job for a young graduate in the Czech Republic can be a tuff task. According to the National Institute of Training findings, Czech companies are usually reluctant to employ graduates due to their lack of experience and their unrealistic expectations about income, working hours and job assignments (Mgr. Gabriela Dolezalova, 2014, p26-28).

Technological factors

An employment website should always monitor what kind of features are their competitors adding to their service offerings. Has some competitor introduced a new type of feature, which will threaten their business? Or has a new type of website or application been introduced to better meet the needs of companies and job seekers?

When the Yelp was about to enter the Czech market they launched a recruitment campaign for manager who would take care of their local activities and communicate with its public. Yelp did not look for candidates through traditional tools such as employment portals or personnel agencies. They chose to choose people thru a keyword search on the professional social network LinkedIn. Similarly, most companies in the Czech Republic are starting to work and recruit people via social networks.

In 2013 Adobe conducted an experiment. They made two teams that had to independently hire new qualified employees for the company. The first team went the traditional way and posted advertisements for job offers and began working with employment agencies. The second team used only LinkedIn and social networks. After just a number of stays

the second team had managed to come with a list of ideal candidates, while the first team was struggled for weeks to provide adequate results (Jan Sedlak, 2013).
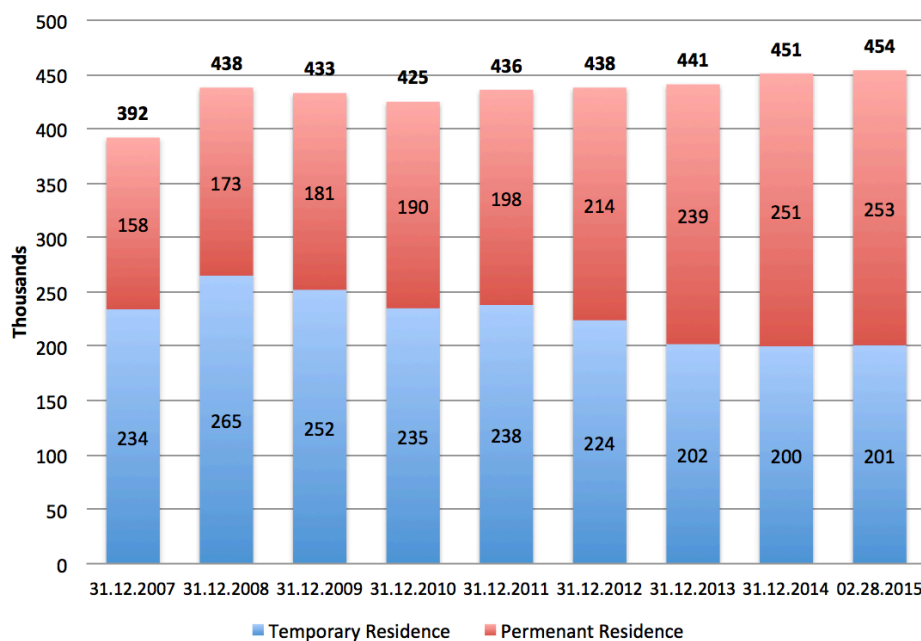
Majority of American companies are using social networks to recruit new employees and this practice is gradually spreading to the whole world (Meghan M. Biro, 2015). According to the findings of Jobvite's 2014 social Recruiting survey 34% percent of recruiters said social recruiting improved time to hire, 44% said it increased the quantity of the candidates and 72% of the surveyed recruiters said they are intend to increase their investment in social recruiting in the near future.

Nevertheless social recruiting is not so popular in the Czech Republic now according to findings of employment agency Hays social recruiting is increasing in popularity within companies but it is usually used in compliance with traditional methods and tools and not as a more effective substitute tool.

International factors

Graph 6: Trend in the number of foreigners in the CZ by type of residence

Data retrieved from: Ministry of Interior of the Czech Republic (2015). Available: http://www.mvcr.cz/clanek/cizinci-s-povolenym-pobytem.aspx.

In Graph 6, we can see the trend in the number of foreigners in the Czech Republic by type of residence. In 2014 there was 454 618 foreigners officially registered in the Czech Republic. Of which 55.7% are permanently residing in the Czech Republic and 44.3% are residing only temporarily. We can see from the trend from 2007 to 2014 that the total number of foreigners living in the Czech Republic has increased. Also the trend shows us that many foreigners with temporary residence have probably arranged themselves a permanent residence in the Czech Republic. It is important for employment websites to take into account the number of foreigners in the Czech Republic because they are usually also job seekers and will very likely use their services.

Potential effects of the military-political crisis in Ukraine on the Czech Republic

The Czech Republic may suffer a drop in exports mainly to Russia and also partly to Ukraine. There can also be lower investments into businesses that are dependent on sales to Russia. Another threat to the Czech Republic is that the supply of essential raw materials from Russia may be limited or even halted. In the medium to long term this may negatively affect the employment market in the Czech Republic. Were Jobs may be abolished, increasing the number of unemployed in the Czech Republic. The Czech Republic would mostly be affected if the sanctions would be extended to the automotive industry and wider range of engineering products (Martina Slavikova, 2014).

The conflict in Ukraine may also increase the number of immigrants and from to the Czech Republic. Ukrainians are the largest minority group in the Czech Republic. This can mean that many immigrants and may choose Czech Republic as their families or friends are already residing in the Czech Republic. This can affect the Czech economy in a number of ways. Which should be taken into account by employment websites.

Environmental factors

It is difficult to stay what environmental factors will influence the employment websites industry. Therefore they will not be analyzed here.

5.2 Micro Analysis

The aim of this thesis is to propose a penetration strategy for aulinks.cz into the employment websites market in the Czech Republic, before such a proposal can be made it is important to analyze the market, identify and closely scrutinize the competition, determine customer segments and to conduct an internal analysis. Only after closely examining these variables will it be possible to propose a penetration strategy.

5.2.1 Market Analysis

In the Czech Business register usually companies who provide employment websites have registered at least the following natures of business: Automated data processing, Consultancy in the field of trade and services, providing software and advertising and marketing.

As no secondary solid research exists on the employment websites market in the Czech Republic, I was compelled to do conduct research and scrutinize all of the available unorganized data that is publically available. Therefore my available scarce resources may confine the findings on the employment websites market and its participants, presented by me in this thesis.

Market Structure

Today there are over 56 employment websites operating in the Czech Republic, see appendix 1 for a list of the major job portals on the market. See Graph 7, for a strategic groups map illustration. These can be divided into 6 competitive groups. The websites in each individual group are similar accordingly to their communication strategies, price/quality position and by size and aggressiveness. The group leaders are the websites who are the market leaders today by turnover and number of unique page visits per month. Alma Career Ay owns Jobs.cz, profesia.cz and prace.cz. Monster.cz is operated on the Czech Market by Monster Worldwide CZ s.ro. While volnamista.cz is provided by seznam.cz. Seznam.cz is the market leader on the search engine portals market in the Czech Republic. In 2013 they abolished their traditional employment website sprace.cz,

as it did not want to compete directly with Alma Career Ay and choose to target customers who do not want to create personal presentations and CVs on websites like Jobs.cz and LinkedIn. According to Seznam's market research, people with low education are more likely to look for unskilled manual work (40% of people with a finished elementary school) or are willing to do anything (33%). It is these people who mostly rely on labor offices and do not use the Internet to search for work. Market research has shown one of the reasons why these people do not use the Internet is that employment websites are to confusing for them. Therefore Seznam created a simple no-frills server volnamista.cz, with job advertisements with up to 350 Characteristics (David Slížek, 2013).
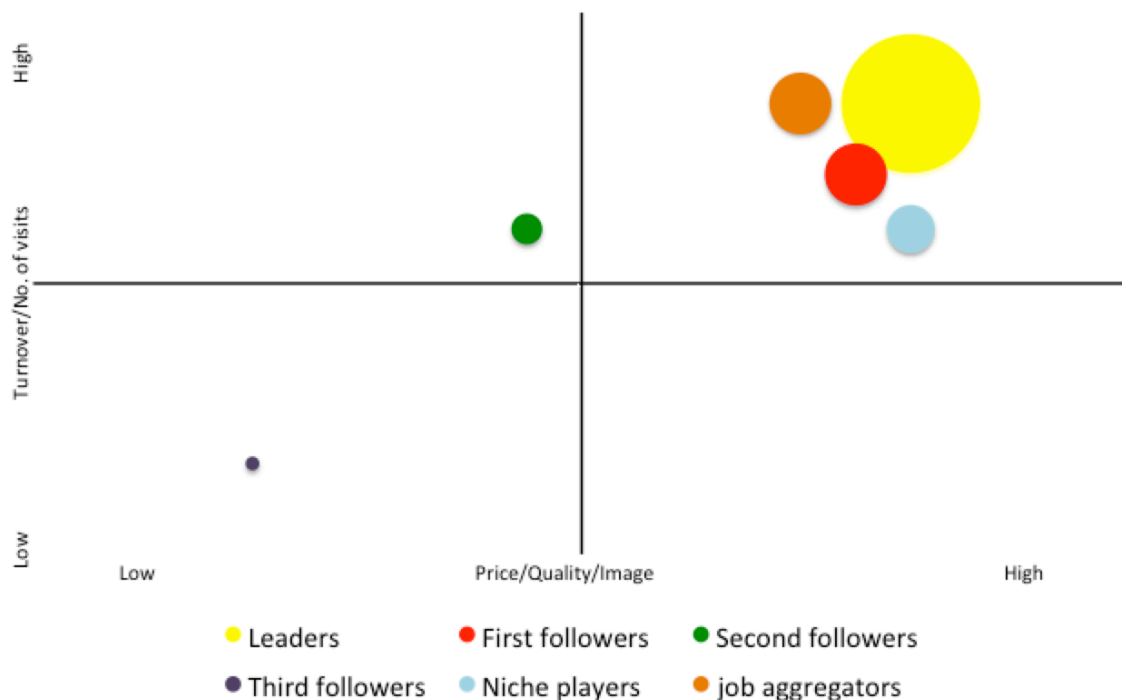
The following groups: first followers, second followers and third followers have a similar communication strategy as the websites in the leaders group but are weaker in the price/quality position, and size and aggressiveness. The websites in the first followers group are serious competition for the leaders group on the grounds of the quality of the service but do not have as many paying customers. The websites in the second followers group can compete to some websites in the first followers group but indubitably cannot compete to the leaders group. Some of websites in the third followers group maybe considered as competition to the second followers group but without question they are not in competition with the first followers or leaders group. Many of the websites in the third followers groups usually have malfunctions in their service offerings; visible coding problems or the websites are not being updated to keep in pace with market developments and innovations.

Websites in the niche players group cannot be considered to be direct competition to the leaders, first, second and third groups because these websites have found a market gap that was poorly addressed by the market leaders. These websites for example target student graduates, job seekers over 50, female job seekers, physically disable job seekers etc.

The websites in the job aggregators group are employment websites who are simply search engines. They can collect results from multiple independent employment websites. These websites usually function on metasearch[4] and vertical search[5]. Indeed.com is the biggest employment website in the world it collects job postings from employer websites, employment websites, online classifies and association websites. On the Czech Market Indeed operates thru their cz.indeed.com domain.

Strategic Group Analysis Graph

Graph 7: Strategic group analysis map of job portals market in the Czech Republic.

In graph 7 we can see a strategic group analysis for the employment websites market in the Czech Republic. The individual websites of the competitive groups can be seen in appendix 1. The variables by which the websites have been grouped together are described in the previous paragraph: market structure. The size of the circle demonstrates the approximate relative overall market share value of the strategic group compared to the other strategic groups for the year 2013.

---

[4] Metasearch is when a search engine searches other search engines.
[5] Vertical search is when the searches are limited to a specific topic such as job listings.

Revenue model of employment websites

Employment websites have two core audiences: employers and job seekers. Most employment websites choose to focus on one of these two audiences. Nearly all employment websites chose to focus on the employers because of their ability to pay and a need to satisfy. Job seekers are usually not relied on as the core audience for revenue generation because of their scarcer resources than employers.

Common pricing strategies targeted at employers:
- Job postings – usually a set of job posts are for free, if an employer has a need for more posts he can purchase the ability to post more or he can prolong his posts that have expired.
- CV access – An employer can purchase an access to resumes in the employment websites database. Also resumes are usually displayed for fee and the contact information is made available for purchase.
- High lightened job postings – Employers can purchase the ability to modify graphically their posts, add images etc.
- Site advertising – employment websites sell banners, tile ads etc.
- Company profiles – Employers for a payment can enhance their company presentation on the website with logos, images, videos, blogs etc.
- Targeted candidate emails – employers can set a filter, which will send them by email all of the new resumes on the web that are relevant to their job posts.
- Newsletter advertising – employers can buy space in the employment websites newsletter.
- Packages – usually employment websites can create different packages that combine all of the above pricing strategies in different volumes.

Common pricing strategies targeted at job seekers:
- Membership fee – job seekers can pay a monthly/annual fee and are given access to the job listings and usually also additional services.

- Enhanced resumes – job seekers are given an opportunity to promote their resume in some way, which will increase the likelihood of employers responding.
- Additional goods such as e-books on job-hunting, reports etc. are offered for sale to the job seekers.

Market Attractiveness

In determining the market attractiveness, it was beyond the bounds of possibility to estimate the market value of the employment websites in the Czech Republic. As no such findings exist publically and majority of the websites are provided by smaller companies who do not post their annual profit and loss statements in the Czech Electronic Business Registry (justice.cz) even if they are obliged to do so. In determination of the market attractiveness the following companies*:* LMC s.r.o, Profesia CZ, spol s.r.o, džob s.r.o., Agentka s.r.o., RB recruitment s.r.o., ČESKÝ TRH PRÁCE s.r.o., Monster worldwide cz, Portál práce KARIERA.CZ s.r.o. and Netia s.r.o. Profit & Loss statements were analyzed. The companies analyzed provide altogether over 15 employment websites on the Czech market. Three of the companies are from the leaders strategic group, one from the second followers strategic group and the rest from the first followers strategic group. This is quite a representative sample because the recruitment portals in the leaders strategic groups and the first followers strategic group have the most registered B2B customers. Recruitment portals in the second and third followers group either do not have any public financial data because they are young or small or out of date. Portals in the niche players and job aggregators groups are not taken into account in the market attractiveness analysis because aulinks.cz positions its self in the first followers strategic competitive group. Therefore these portals are not direct competitors because their marketing and communication strategies differ.

Table 6 summaries basic financial results and ratios of the chosen representative companies ranked from highest revenue to lowest revenue. All of the financial data in the table 6 is for the year 2013. The total amount of revenue generated by all of the nine companies was 737 Million Czech Crowns, of which 60,46% was generated by LMC s.r.o, 36,27% by Monster worldwide CZ s.r.o, 1,96% by profesia CZ, spol s.r.o., and only 1.31% was generated by the rest of the companies. If we exclude the top three companies than last six companies altogether generated revenue of 9.697 million crowns for the financial year 2013.

Table 6: Representative set of companies to determine market attractiveness of employment websites market in the Czech Republic.

	1	2	3
Company Name	LMC s.r.o	Monster worldwide cz s.r.o	Profesia CZ, spol s.r.o
Websites provided	Jobs.cz / Prace.cz / Hotjobs.cz	Monster.cz	Profesia.cz
Year	2013	2013	2013
000 Kč			
Revenue	446 121	267 651	14 440
Operating Expenses	354 379	284 763	15 105
Operating profit/loss	91 742	-17 112	-665
	4	5	6
Company Name	džob s.r.o.	ČESKÝ TRH PRÁCE s.r.o.	RB recruitment s.r.o.
Websites provided	Dzob.cz	Pracevcr.cz / pracevpraze.cz / Prace-brno.cz / etc	Easyprace.cz / zivotopisy.cz / Personalniagentury.cz
Year	2013	2013	2013
000 Kč			
Revenue	2 767	2 457	2 305
Operating Expenses	3 065	2 365	2 252
Operating profit/loss	-298	92	53

	7	8	9
Company Name	**Portál práce KARIERA.CZ s.r.o.**	**Agentka s.r.o.**	**Netia s.r.o**
Websites provided	Superkariera.cz	Agentka.cz	Joblist.cz
Year	2013	2013	2013
000 Kč			
Revenue	1 430	466	272
Operating Expenses	1 483	456	210
Operating profit/loss	-53	10	62

Data retrieved from: Personal websites of the companies and Czech Electronic Business Registry justice.cz

Thus it can be said that the portals in the leaders group have made the majority of the revenue. From the representative set of companies four of them ended a year with a loss. The average EBITDA margin was 2.9% for the nine representative companies. Of which the highest had Netia s.r.o 22.79% and LMC s.r.o 20.56%. The lowest EBITDA margin was recorded for džob s.r.o. (-10.77%), Monster worldwide CZ s.r.o (-6.39%) and Profesia CZ, spol s.r.o (-4,61%).

It was not possible to identify the financial data from the four big portals volnamista.cz, hyperprace.cz, dobraprace.cz and annoce.cz/prace. Because these websites are owned by companies who operate other websites, targeted at different industries. Thus is was impossible to identify their revenues from the employment websites market in the Czech republic from their Profit and Loss statements. As these P&L statements record all of their revenues and expenses from all of their different operations.

Porter's five forces

Risk of entry by potential competitors

Generalist employment websites job postings are declining. The traditional employment websites are facing tough competition from smaller niche employment websites, job aggregators, and social networks. Today employment website technology is available freely, barriers to market entry is extremely small. No specific government regulations exist limiting the number of employment website, which can operate on the market. WordPress[6] powered employment websites can be bought for less than 100$. Practically anybody with above average programming skills is able to launch an employment website. Every year a hand full of employment websites appear on the Czech market, while another hand full vanishes. Nevertheless brand names are an extremely powerful differentiator in the employment websites industry. Therefore it is exceptionally difficult for new entrants to make a mark. New entrants into the market will not stop but they are not very likely to become a major force. As to become a major force the new website will have to provide a disruptive service or provide an extensive marketing campaign for which start-ups usually do no have the resources for. Large generalist employment websites are gaining market share at the expense of print media.

Employment websites success depends on that fact if their search results are relevant for their users. The fundamental question that should be asked is do job seekers find the job they want, and do employers find the candidates they need on this website? Many market participants when posting jobs or looking for jobs automatically log onto the most recognizable employment portals on the market. Creating a locked circle in which new market entrants cannot gain substantial market share.

---

[6] "WordPress is a free and open-source blogging tool and a content management system (CMS) based on PHP and MySQL. Features include a plugin architecture and a template system. WordPress was used by more than 23.3% of the top 10 million websites as of January 2015. WordPress is the most popular blogging system in use on the Web, at more than 60 million websites."(Wordpress.com).

From the representative set of companies we can also see that only LMC s.r.o is enjoying supernormal profits while the other companies are operating with low profits or even losses. This may lure some entrepreneurs into the market and discourage others from entering.

Therefore even though risk of entry by potential competitors is high they are very unlikely to represent a serious risk for the market leaders and the first followers as brand equity places an important decisive role in choosing the portal when looking for work or posting job advertisements.

Threats of substitutes

There are many substitute service providers for employment websites. Many experts argue that social networks are emerging as a strong substitute for employment websites. Although social networks are not the only substitute services, solutions such as Internet sourcing, recruitment firms, resume databases, online referrals are all substitutes for employment websites.

As employment websites became to easy to use for todays qualified job seekers, many companies have become flooded with applications from job seekers even from those unqualified ones. Recruiters in some industries have become overwhelmed by this trend and have turned to social media, referrals, and niche recruiting sites. Nevertheless specifically in the Czech Republic this trend is not as strong as in other developed economies, yet.

In Czech Republic, the niche employment websites are growing in popularity. The niche employment websites operate on the same technology as the generalist employment websites but they are just marketing to a very specific segment of job seekers and employers. These websites usually change substantial amounts for posting jobs, without any guarantee. If the employers that advertise on these websites are able to get the same relevance and attention elsewhere for less money, it is very likely that they will not be loyal. Therefore it could be argued that this success is only temporary before generalist

websites do not update to provide the same quality of service for the niche segments. Nevertheless these websites are serious threats for the leaders and first followers group today.

Another trend in the e-job market is that recruiters and job seekers today rely more heavily on job aggregators, which collect the entire job listing from across the Internet in a single place. These job aggregators cannot be considered to be generalist employment websites substitutes services on the other hand they have made employment websites more important for employers; as the best way to get picked up by aggregators for employers is to post ads to employment websites and their own career websites.

Another threat is that many companies choose to do recruiting thru their own websites. Employment websites see this a realistic threat to their business models.

In summary threat of substitute services for employment websites industry in the Czech republic is moderately high.

Bargaining power of buyers & suppliers

Employment websites are peculiar in the thing that their buyers can be considered to be as well suppliers. In essence an employment website is only a portal, a mediation space were the employer should find the right employee and were the job seeker should find himself an employer. Without one of these two participants the employment website would not provide any value to the other. Value and problem satisfaction of the job seeker and the employer will only be achieved if both of the groups will be using the website. Without one the employment website would be an incomplete service representing no market value. Both the job seeker and the employer are given the opportunity to post their resumes and job positions for free making them suppliers to the service but if they want additional benefits they can purchase them making them customers and suppliers at the same time. Thus the bargaining power of buyers and suppliers should be analyzed together.

For employment websites the main customer is the employer. The employers have all of the bargaining power but at the end of the day they will flock to where the job seekers are. While employers today have many options were they might find employees, employment websites remain an integral part of any recruitment marketing strategy. LMC s.r.o has over 25,000 registered B2B customers. Therefore the top employment websites are not so depended on individual employers and the customer's ability to push down prices is quite limited. The buyers switching cost is also quite low but there is no guarantee that on another employment website they will manage to receive the needed candidates. Usually employers try to utilize on all of the available tools to them to hire the right employee but their budgets are limited.

When job seekers search for work they turn usually to all of the available offline and online options. They frequently visit employment portals and some choose to post their resumes there too. Their power as suppliers/contractors to the employment website is extremely important; as this is the "service" that the employers are looking for.

Overall, the collective bargaining power of buyers & suppliers is extremely high due to the many available alternatives that exist both to the job seekers and employers. But the individual bargaining power of one job seeker or one employer is relatively low.

The employment website industry also has suppliers who provide goods and services for employment websites, that can be helpful in both generating revenue and providing better results for customers. A supplier can be for example, JobCast who provides posting services to social media channels and integration. Overall these suppliers are usually also weak in bargaining power because there are many of them and the employment's websites business is usually not depending on them.

Rivalry among established firms

With over 56 employment websites in the Czech Republic competing for a slice of the revenue pie, rivalry is intense. Majority of the revenues are earned by only a few of the companies. Smaller employment websites such as spravnykrok.cz or kdejeprace.cz have gone as far as to offer all of their services for free. This is the only way how they can attract employers and job seekers to their websites because employers who are willing to pay for their job postings are already using the leaders group services and are reluctant to pay job postings on other employment websites.

On the other hand, niche players are surviving and thriving. Nearly every conceivable niche is already represented. Generalist employment websites are choosing to compete on functionality of their websites. By adding different functions and tools such as video resumes, job seeker testing, easier communication between employers and job seekers etc.

With 40,500 searches, the keyword "Prace" (Czech for job), conducded on google in Jan and the same amount in Feb 2015, Search Engine Optimization has become an integral part of employment websites marketing strategies. So many employment websites competing on the market today, has led to an in increase in competition for attracting the right job seekers. Research has shown that 74% of jobseekers start their job hunt on search engines like Google or Seznam. Many employment websites are concentrating on their SEO strategies, Adwords and sklik.cz campaigns to attract the job seekers and employers to their website. This has made even more difficult to achieve success because majority of the companies are working every hard with these tools and it is getting more difficult and more expensive to get the necessary attention. Rivalry among established firms is also moderately high.

5.2.2 Customer Analysis

As was stated before the two main customers for employment websites are job seekers and employers. Nevertheless these customers can be grouped into segments that respect the homogeneity, distinction and reaction principles of segmentation. Job seekers are relied on more to bring in the content while the employers are relied on to bring in the content and the revenues.

Employers

Employers can be segmented using firmographics. It is suitable for the employment websites market to look at the employers from the perspective of their size and their status and structure. An assumption can be made the more the number of employees a company has the more it is likely hire new employees and work harder on their recruitment marketing strategies. For segmenting the employers we can we can use the European commissions recommendation 2003/361/EC of 6th of may 2003 concerning the definition of micro, small and medium sized enterprises which has also been adopted by the European Community (European Commission, 2005, p.10-14).

Enterprise means any entity engaged in an economic activity, regardless of its legal form. This includes, in particular, self-employed and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

The criteria that are used for the definition on the size of the enterprise by the European Community are:

- Micro enterprise – an enterprise is defined as a micro enterprise if its number of employees is less than or equal to 10 and if its turnover is less than or equal to two million euro or balance sheet total is less than or equal to 2 million euro.

- Small enterprise - an enterprise is defined as a small enterprise if its number of employees is less than or equal to 50 and if its turnover is less than or equal to 10 million euro or its balance sheet total is less than or equal to 10 million euro.

- Medium enterprise - an enterprise is defined as a medium-sized enterprise if its number of employees is less than or equal to 50 and if its turnover is less than or equal to 50 million euro or its balance sheet total is less than or equal to 43 million euro.

- Large enterprise – if an enterprise is not in accordance with any of the above parameters of a micro, small or medium-sized enterprise than it is considered to be a large enterprise.

This method of segmenting the employers in the employment websites market is satisfactory because enterprises that fall in one of the segments above usually have similar recruiting strategies and needs regardless of the industry they are operating in.

Recruitment agencies

Recruitment agencies are commercial institutions that work on the principle of the state labor office. They operate by satisfying the demand for labor according to the criteria specified by their clients. The Czech Ministry of Labor and Social Affairs issued 1,576 permits for recruitment agencies in 2014. But this does not mean that there are so many agencies operating on the Czech territory. Direct employers who need to move their employees between their daughter companies have obtained parts of the licenses. Some agencies have obtained three licenses due to legal reasons. According to the Association of Personnel Services Providers there are about five hundred active recruitment agencies in the Czech Republic (Kateřina Hovorková, 2015). Nevertheless a significant proportion of them specialize only in certain sectors and disciplines. In addition to mediation labor some recruitment agencies also offer career counseling, personnel audits, outplacement, outsourcing, temporary-help, job testing assumptions, HR marketing and many more services.

Recruitment agencies have not been included to the customers with the "employers" because their needs differ from those of the traditional employer. Recruitment agencies build their business models on recruitment therefore; their needs differ from those of "employers". They usually post job advertisements a lot more than employers, and can have a very diversify set of job positions that they need to fill in. In the market analysis recruitment agencies have been identified as a substitute service to employment websites. Job seekers can chose to rely on only recruitment agencies to find work and employers can chose to rely only on recruitment agencies to find them employees for certain job positions. Nevertheless these recruitment agencies can increase their effectiveness by using employment websites to post jobs and search thru resumes.

According to recent research demand for recruitment agencies services by employers has been increasing in the Czech Republic. Contrary to common perceptions, recruitment agencies do not only mediate construction workers they mediate a lot more in the manufacturing and services sectors (Nela Vejvodová, 2014).

Recruitment agencies are a separate segment differing from employers and job seekers. Therefore different strategies can be targeted at them. It is important to state that recruitment agencies can also be broken into smaller sub segments but for aulinks.cz a general one segment is satisfactory now as the website tries to offer a uniform service for all of the recruitment agencies.

Job seekers

The first segment of job seekers that we can identify is those people who are unemployed. The unemployment rate of the Czech Republic has been discussed in the macro analysis of this thesis. The unemployed usually search for jobs in all of the available options they have: labor offices, employment agencies, employment websites, friends, referrals, etc.

Then there are also employed job seekers. These are the job seekers who are employed but for some reason want to or have to change their jobs. These job seekers can be segmented into indefinite segments using segmenting characteristics such as age, gender, professions etc. As aulinks.cz positions its self as generalist employment website offering a uniform service, which can be adapted to the user no matter their age, gender or profession we will segment these clients according to the LinkedIn Talents trends 2014 global research report findings. They surveyed 18,000 fully employed professionals in 26 countries to find out what's on their minds when it comes to jobs and career management. The results are a snapshot of today's global workforce and what makes them tick. We will extrapolate the findings of this research onto the Czech Market. As today the western world is globalized and similar trends can be seen thru out the all of the developed world. Their report showed these findings of their surveyed workforce:

1. 15% of workforce surveyed is completely satisfied; don't want to move.
2. 45% of workforce surveyed is open to talking to a recruiter.
3. 15% of workforce surveyed are reaching out to personal network.
4. 13% of workforce surveyed casually is looking a few times a week.
5. 12% of workforces surveyed are actively looking for new jobs.

From the findings we can guess that groups 3, 4 and 5 have some small or urgent need to change their jobs. These are the people that are likely to visit employment websites. Employed job seekers from group 5 are more likely to visit employment websites than job seekers from group 3. The summed total of groups 3, 4 and 5 is 30%. This percentage for us is only symbolical as the real percentage in the Czech Republic might differ by a lot but it may not. Nevertheless it gives us an indication of the pattern of behavior of employed job seekers.

Once the segments and their sub segments have been identified it is important to conduct an in-depth analysis of the motivations of the segments thru surveys, focus groups and personal interviews. Unfortunately, the amount of resources that was made available for the completion of this thesis has not allowed me to conduct the necessary research.

5.2.3 Competitor Analysis

It was stated before that aulinks.cz positions itself in the first followers strategic competitive group. Therefore a more detailed analysis of aulinks.cz direct competitors will be conducted. In the first followers group there are 12 employment websites. The following seven have been chosen: jobdnes.cz, hyperprace.cz, agentka.cz, dobraprace.cz, easyprace.cz, agentka.cz and dzob.cz as their services and communication strategies are very similar with those of aulinks.cz. These are the websites with who aulinks.cz will be in a direct competition for the attention of job seekers and employers.

The websites from the leaders group were not analyzed because even though aulinks.cz offers similar services. Aulinks.cz cannot compete with these websites in the short-term period of time because their brand awareness in the market is extremely high compared to aulinks.cz.

In-depth analysis of the competitors

In the in-depth analysis of the chosen competitors the following variables were analyzed: Size, Growth and profitability, Image and positioning strategy, Organization and Culture, Strengths and weaknesses. I have also tried to analyze the following variables: cost structure, exit barrier, objectives and commitment and current and past strategies. But I could not find any suitable objective and realistic information therefore these variables were left out from the summary of the in-depth analysis of the competitors.

Tables 7: Summary of in-depth analysis of most direct competitors

1. Easyprace.cz	
Size, Growth & Profitability	- On April 13th 30381 Jobs / 34 007 CVS - Revenue: 2,3 Million Kč. Profit = 53 000 Kč. (2013) - 400 searches of "easyprace" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Easyprace.cz is operated by RB recruitment s.r.o who also provide zivotopisy.cz and personalniagentury.cz. The websites are interconnected in some aspects to provide better value to their customers.
Strengths and weaknesses	Strengths - Their service offering is made stronger by interconnecting two more HR websites. - User-friendly interface. Weaknesses - Smaller amount of Google searches compared to other competitors. - Many useful articles for job seekers and employers.

2. Dzob.cz	
Size, Growth & Profitability	- On April 13th 3026 Jobs / 5 633 CVS - Revenue: 2,7 Million Kč. Loss = -298 000 Kč. (2013) - 120 searches of "džob" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Dzob.cz is operated by džob s.r.o.
Strengths and weaknesses	Strengths - Unique services offered to jobseekers such as video CVs, with which the company helps to create them. - Employers are given free access to contacts from the CVs. - Very easy and fast registration. Weaknesses - Smaller amount of Google searches compared to other competitors.

3. Agentka.cz	
Size, Growth & Profitability	- On April 13th 27750 Jobs / 13, 465CVS - Revenue: 466 Thousand Kč. Profit = 66 000 Kč. (2013) - 1000 searches of "agentka" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Agentka.cz provided by agentka s.r.o. Cofounded by Radim Ballner and Petr Kral. Radim Ballner is a Ph.d. holder in computer engineering. Petr kral worked as Strategy director of LMC s.r.o and also worked in monster worldwide.
Strengths and weaknesses	Strengths - A lot of jobs. - Many free services offered to job seekers and employers. - Very simple price list. - Adapted for mobile (m.agentka.cz) Weaknesses - Registration of employers takes 2 days to verify. If not verified employer cannot do anything on the web.

4. Jobdnes.cz	
Size, Growth & Profitability	- On April 13th 34,769 Jobs / 42,109 CVS - Profit and loss financial statement cannot be identified. - 1,900 searches of "jobdnes" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Mafra, a.s, provides Jobdnes.cz. Mafra, a.s. is a member of the holding Agrofert.
Strengths and weaknesses	Strengths - A lot of CVs and vacancies. - Jobdnes profi service – an online service for HR professionals enabling them to conduct their work thru only that service. - Access to a lot of resources thanks to their parent. - Attractable solutions for job seekers with career pages. Weaknesses - Not as famous as leaders group websites compared to Google searches.

5. Dobraprace.cz	
Size, Growth & Profitability	- On April 13th 8525 Jobs / 23 933 CVS - Profit and loss financial statement cannot be identified. - 1300 searches of "dobraprace" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Dobraprace.cz is operated by INET-SERVIS.CZ, s.r.o.. Who creates websites on demand and also provides internet marketing consulting.
Strengths and weaknesses	Strengths - Employers are offered special solutions in posting job advertisements. - Many CVs on the web. - Very fast and easy registration for employers and employees. Weaknesses - Small problem noticed with displaying of the web (skewed banners).

6. Pracevcr.cz	
Size, Growth & Profitability	- On April 13th 1800 Jobs / 47,509 CVS - Revenue: 2,4 Million Kč. Profit = 92 000 Kč. (2013) - 100 searches of "prace v cr" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Pracevcr.cz provided by ČESKÝ TRH PRÁCE s.r.o.
Strengths and weaknesses	Strengths - A lot of CVs. - Own twelve websites of domain names such prace v "city/town". Allowing them to benefit from Search Engine results. Weaknesses - Very low amount of Google searches of the domain. - Low amount of jobs offered on the portals - Unfriendly user interface

	7. Hyperprace.cz	
Size, Growth & Profitability	- On April 13th 12612 Jobs / 508 CVS - Profit and loss financial statement cannot be identified. - 50 searches of "hyperprace" in Google in March 2015 in the Czech Republic.
Image and Positioning strategy	Generalist employment website offering a full HR spectrum of services for employers and job seekers.
Organization and Culture	Hyperprace.cz operated by HyperMedia a.s.
Strengths and weaknesses	<u>Strengths</u> - Many free services offered to job seekers and employers. <u>Weaknesses</u> - Not a lot of CVs on the web. - Difficult to navigate on the web. - Very low number of searches on Google

Competitive Profile Matrix

Table 8: Competitive Profile Matrix for the most direct competitors of aulinks.cz

		Aulinks.cz		Easyprace.cz		Dzob.cz		Agentka.cz	
Key Success Factors	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score
Number of Job Offers and their authenticity	0,2	2	0,4	7	1,4	7	1,4	7	1,4
Number of Resumes	0,2	2	0,4	7	1,4	4	0,8	7	1,4
Customer focus	0,2	8	1,6	8	1,6	7	1,4	4	0,8
Popularity	0,15	1	0,15	5	0,75	6	0,9	7	1,05
Price competitiveness	0,1	6	0,6	7	0,7	7	0,7	7	0,7
Innovation	0,15	6	0,9	6	0,9	7	1,05	3	0,45
Total			4,05		6,75		6,25		5,8

		Jobdnes.cz		Dobraprace.cz		Pracevcr.cz		Hyperprace.cz	
Key Success Factors	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score
Number of Job Offers and their authenticity	0,2	10	2	6	1,2	4	0,8	5	1
Number of Resumes	0,2	10	2	6	1,2	7	1,4	2	0,4
Customer focus	0,2	9	1,8	7	1,4	5	1	5	1
Popularity	0,15	9	1,35	8	1,2	5	0,75	2	0,3
Price competitiveness	0,1	6	0,6	7	0,7	6	0,6	6	0,6
Innovation	0,15	8	1,2	5	0,75	4	0,6	5	0,75
Total			8,95		6,45		5,15		4,05

These particular companies were chosen due to the directness of their competition. The CPM evaluates key success factors from 1 = major weakness to 10 = major strength, multiplied by the weighted matter values of these factors in general, 0.0 = not important to 1.0 = very important. Key Success factors were chosen accordingly to the subjectively believed most important factors in the employment website industry and from the research that came out from market analysis. In appendix 3 there is additional information from the in-depth analysis of the competitors. Specifically the pricing

strategies of the competitors are compared. My evaluation was appraised subjectively according to the available information. From the CPM we can see that jobdnes.cz with a weighted average of 8,95 has the best competitive market position compared to its direct competitors. Following jobdnes is Easyprace.cz (6,75), Dobraprace.cz (6,45), Dzob.cz (6,25), Pracevcr.cz (5,15), Agentka.cz (5,8) and than hyperprace.cz and aulinks.cz both with (4,05). Aulinks.cz has the lowest competitive weighted average because the website was introduced onto the market only on February 2015 and has not managed to collect a lot of jobs, resumes and attention, yet.

5.3 Key Success Factors

Factum Invenio research of employment websites in the Czech Republic has identified the main strategic necessities that employment websites should have to be able to compete in the market. According to their research the main factors for the selection of an employment portal for job seekers are: the number of job offers, the relevance and actuality of job offers and the search capabilities and its quality. The main factors for the selection of an employment portal for employers are: the number of job seekers visiting, the ability to search thru resumes and the ability to present their company. Factum Invenio has also identified that services such as electronic resumes, automatic search for job posts & resumes and salary comparisons are growing in popularity.

Therefore it is possible to identify the following key success factors after the market analysis has been completed:

- Number of Job Offers and their authenticity
- Number of Resumes
- Quality of service offerings for job seekers and employers (Customer Focus)
- Popularity
- Price competitiveness
- Innovation

5.4 Internal analysis

As aulinks.cz is a new website on the employment websites market in the Czech Republic. It has been operating only 2 months on the writing of this thesis. Therefore there is no opportunity to conduct a financial performance analysis. It is however possible to conduct marketing mix analysis.

5.5.1 Marketing mix analysis

Product (Service)

Aulinks.cz is an employment website that target job seekers, employers and employment websites. It offers job seekers the possibility to search thru jobs, create CVs online, create their own impressive and unique portfolios, and communicate with companies and to use search agents. For employers and employment agencies aulinks offers the ability to post job advertising, create corporate presentations, browse CVs of job seekers, use search agents and communicate with job seekers.
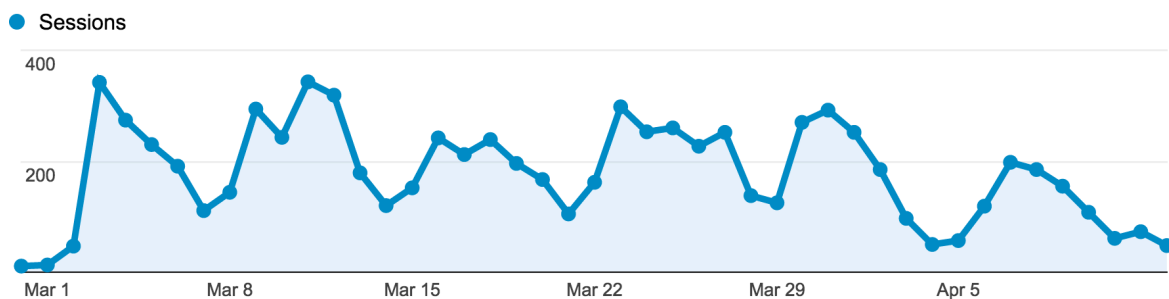
Price

Aulinks.cz has a 3 package pricing strategy. It only targets employers offering them three packages of Standard, Standard Plus and Premium. The packages have different amounts of options available: job advertisement up to 30 days, updates of ads, HOT jobs, Highlighting, Logo of company in search results and the option of being shown first in the job lists. These three packages are also divided into different amounts of job advertisements a company can buy. The following possibilities are offered: 1, 5, 10, 25, 50, 100 or 300. Also employers are offered to buy: access to the contacts of the CVs of the job seekers, Top Logo of their company and posting advertisement for temporary help jobs (Brigády). The full price list for April 2015 is available in Appendix 2.

Promotion

As aulinks.cz is a new website still in its so-called open beta release phase[7]. Only two promotional strategies have been chosen: PPC advertisement on Google and Seznam and also Search Engine Optimization. Adwords and Sklik campaigns have been launched on: 02.03.2015. The campaigns are targeted at job seekers and employers. Keywords have been set in accordance with keyword planner statistics. The questions and words have been identified which jobseekers and employers search for and then the campaigns and ad groups where set on these keywords. The detailed contents of the campaign will not be analyzed here, as it is guarded intelligence information by the company. Aulinks.cz does not want to make the detailed contents of the campaign public.

In picture 3 we can see that when the campaigns have been launched on 2nd of March the next day the amount of visitors had increased by 627%. The peaks in the number of visitors to the website are Mondays, Tuesdays and Wednesdays. Already from Wednesday the amount of sessions starts to decrease and usually hits its low of the week on Sunday. Than on Monday again the visitor rate increases to another peak. This repeats in a similar sequence every week.

Picture 3: Audience overview of aulinks.cz within the dates: Feb 28, 2015 - Apr 13, 2015

Retrieved from: Aulinks Google Analytics account

---

[7]"Beta Release - The process of delivering a beta version to the users. This is typically the first time that the software is available outside of the organization that developed it." (Netlingo.com).
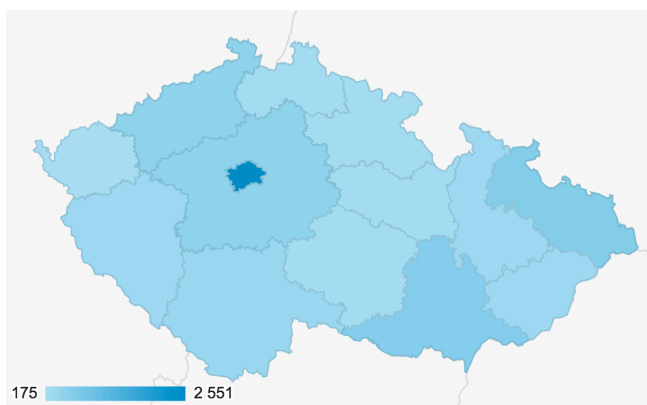
On the grounds of this we can say that there definitely is a mild positive correlation between the day of the week and the amount of visitors to the websites. It is possible conclude that job seekers do not seek for jobs on the weekend as much as in working days.

Aulinks also concentrates on Search Engine Optimization[8]. By building high quality web pages to engage and answer more questions of visitors. They engage in the following SEO tactics:

- Regular career keyword and SEO analysis. This allows to deliver better quality content to the customers.
- Link building campaign.
- Mobile SEO

Place

Picture 4: Map overlay summary of the visitors to aulinks.cz by region in the Czech Republic within the dates: Feb 28, 2015 - Apr 13, 2015

Retrieved from: Aulinks Google Analytics account

---

[8] "Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a search engine's unpaid results - often referred to as "natural," "organic," or "earned" results." (Profitworks.ca).

Aulinks targets the Czech employment market. In Picture 4 we can see the map overlay summary of the visitors to aulinks.cz by region in the Czech Republic. The highest amount of visitors came from Prague (35.11%), following it was Moravian-Silesian Region (8.77%), South Moravian Region (8.42%), Usti nad Labem region (7.63%) and Central Bohemian Region (6.85%). The amount of visitors from the regions to a certain extent reflects the unemployment rates in the regions.

5.5 Strategic analysis output

Strengths:

- Aulinks.cz has a unique service, which was written by programmers from ground up using eleven different coding languages. Aulinks.cz team is flexible and quick if any changes need to be conducted to the web.
- Web analytics tools show that aulinks.cz is user-friendly and useful for job seekers and employers.
- In it's open beta release phase, Aulinks.cz has already managed to sell to twelve employers their services.

Weaknesses:

- Limited resources for investing in growth.
- Aulinks.cz is still in the open beta release phase, waiting to be moved over to a Release Candidate phase[9].
- In the Competitive Profile Matrix aulinks.cz scored low as it is a new employment website only in the beta release phase.
- Lack of strategic vision

---

[9] "A release candidate (RC) is a beta version with potential to be a final product, which is ready to release unless significant bugs emerge. In this stage of product stabilization, all product features have been designed, coded and tested through one or more beta cycles with no known showstopper-class bug" (Netlingo.com).

Threats:

- Competition in the job portals industry in the Czech Republic is very intense. It is very difficult for new generalist job portals entrants to make a mark. Some job portals offer there services of job ads and contact info from CVs for free.
- A lot of substitute services exist for job portals such as social network hiring. It is believed they can change the competitive landscape of the job portals industry if job portal do not react in time.
- There is an increasing number of employers who are abandoning job portals for job advertisement and making their own career pages on their websites instead.

Opportunities:

- Czech working population is searching for jobs online more than ever before and the trend is increasing.
- Investment into the Czech Republic in 2015 is expected to create over 50, 000 new work positions.
- Employment agencies industry is experiencing an increasing demand.
- Explore new market niches such: the increasing number of foreigners permanently immigrating to the Czech Republic.
- Use of Internet thru mobile connection is increasing in the Czech Republic.
- Czech Employers still prefer to hire via job boards than thru social networking sites.
- Job aggregators are increasing the importance of job portals as well.

Chapter 6: Suggestions and recommendations for aulinks.cz

The aim of conducting the strategic situational analysis was to understand the internal and external environment of aulinks.cz better, which will allow me to propose a penetration strategy for the job portal.

In strategic analysis output we can see the main summarized findings for the analysis. On the basis of these findings I recommend the following penetration strategy for aulinks.cz.

In the short-run the aim should be to build brand awareness and attract attention of Job seekers and Employers. The market is oversaturated and it is difficult for new entrants to grab a significant amount of the pie. Therefore for this purpose the following tactics are recommended to meet the strategic aim:

1) Develop a sales team. Which will contact employers offline and online to offer the portal's services. For the start a minimum of two sales men are needed one for recruitment agencies segment and one for the employers segment.
2) Develop the website in more languages like English, Russian and Ukrainian to target also the working foreigners in Czech Republic.
3) Develop an offline marketing campaign to increase the brand awareness of the aulinks.cz. Use the following communication channels: Public transportation advertisement, flyers, exhibitions and radio advertisement.
4) Improve the companies' blog by posting interesting material, which will provide answers to the many questions people have relating searches for work. Support the blog and website with social networking presence in Facebook, twitter and Vkontakte.
5) Simplify the pricing strategy. Analysis of competitors pricing strategies has shown Aulinks pricing strategy is too complicated. A more simplistic price list is needed not to confuse the customers with to much choice.
6) Use web analytics tools to further improve the user-friendlessness of the website.

Conclusion

The objective of this thesis was to scrutinize Aulinks.cz organizational and product position, as well as the overall potential survival of the business, within its environment. The thesis tried to reveal the capabilities and limitations that are on the job portals market in the Czech Republic. The situational analysis findings have been used to propose a short-term vision for the job portal.

The beginning of the thesis was dedicated to the theoretical approach of strategic situational analysis, which was applied in the practical section. Specifically in the theoretical part the situational analysis was described in detail. The external and internal analyses have been described with their components in detail. This knowledge has allowed me to conduct an appropriate situational analysis of Aulinks.cz.

In conducting the situational analysis of Aulinks.cz many important findings have been detected. In the Macro External analysis it was identified that the Czech labor market is experiencing better times than a few years ago, after the worldwide financial crisis. This improvement in employment may be tracked to the growing Czech Economy. Also the top 20 settled investments into the Czech Republic have been identified, which are expected to create over 10,000 jobs this year. This information can be used for leads and could indicate on which direction a job portal should be looking to. It was also identified that every year more and more foreigners are immigrating into the Czech Republic and more are choosing to stay permanently than temporarily. Much of this information has been identified thanks to the databases of the Czech Statistical Office, Ministry of Interior of the Czech Republic and CzechInvest.

In the Micro External analysis it was identified that the job portal industry in the Czech Republic is very saturated. There are over 56 job portals, and six strategic competitive groups have been identified. An in-depth analysis of aulinks.cz strategic competitive group has also been conducted. An important finding was that one strategic competitive group, which contains five job portals, collects majority of the revenue in the industry. In

the market analysis it was also identified with the help of Porter's five forces analysis that all of the five forces have a high risk. Every force has substantial power to dictate the success of a job portal. In such industries unique business models should be applied. Following the External environment the key success factors have been identified for the employment websites market in the Czech Republic.

The limitations experienced in the external analysis were that in some instances there was a lack of information to answer some questions and the whole image could not be seen. This had to be solved by taking representative samples of information and extrapolating it to answer the problem that was on the table. I consider that the fact that I did not have the possibility and resources to conduct a proper in-depth analysis of the identified customer segments motivations for another significant limitation of the situational analysis findings in general.

Following the external analysis an internal analysis was conducted. In the internal analysis the financial performance analysis was not conducted as aulinks.cz is a new job portal only in its' open beta release phase therefore there is no information on this matter that can be analyzed. In the internal analysis the marketing mix analysis was conducted.

After this situational analysis a SWOT analysis is provided, which summarizes the main findings of the audit. These findings have been used to answer the goals of this thesis. In Chapter six a penetration strategy is recommended for Aulinks.cz. This strategy is to attract as much attention as possible of Job seekers and Employers in the Short-run. The job portal itself has proven to be useful and user-friendly for Job Seekers and Employers. Therefore the goal should be to spread the word of the service. Six individual tactics have been recommended how this can be done. This strategy is only short-term because the job portal industry is very competitive and the paradigm is evolving to something new. For this reason a long-term strategy cannot be recommended. In the long-run Aulinks.cz should always monitor what is happening in the market and adapt if needed.

Bibliography

Books

- Aaker David A., Damien McLoughlin (2009). *Strategic Market Management*. John Wiley & Sons. p.10,11, ISBN-13: 9780470689752
- Aaker David A., Damien McLoughlin (2012). *Strategic Market Management: European Edition*. 2007 John Wiley & Sons ltd. p70-80. ISBN-13: 9780470059869
- Blanche Terre Martin, Kevin Durrheim, Desmond Painter (2006). Research in Practice: Applied Methods for the Social Sciences. Juta and Company Ltd. p44. ISBN-13: 9781919713694
- Craig S. Fleisher, Babette E. Bensoussan (2007). *Business and Competitive Analysis: Effective Application of New and Classic Methods*. FT Press. p9. ISBN-13: 9780132161589
- Duane Ireland, Robert Hoskisson, Michael Hitt (2008).*Understanding Business Strategy: Concepts and Cases*. Cengage Learning. p6. ISBN-13: 9780324578997
- Engel J. Rafael, Russell K. Schutt (2005). *The Practice of Research in Social Work*.: SAGE Publications. p38-45. ISBN-13: 9781412913850
- Ferrell O. C., Michael Hartline (2012). *Marketing Strategy*. Cengage Learning. p85. ISBN-13: 9781285084794
- Hill Charles, Gareth Jones (2009). *Strategic Management Theory: An Integrated Approach*. Cengage Learning. p.42. ISBN-13: 9780538751070
- Jedrzej George Frynas, Kamel Mellahi (2011). *Global Strategic Management*. Oxford University Press. p45. ISBN-13: 9780199543939
- Kotler Philip, Keller Kevin (2011). *Marketing Management*. 14th ed.Prentice Hall. p84. ISBN-13: 9780132102926
- Kotler Philip, I. Michi, Waldemar Pfoertsch (2006). *B2B Brand Management*. Springer Science & Business Media. p20-89. ISBN-13: 9783540253600
- Kotler Philip, Suzan Burton, Kenneth Deans, Linen Brown, Gary Armstrong (2012). *Marketing*. 9th ed. Pearson Higher Education AU. p220. ISBN-13: 9781486001774

- Magretta Joan (2013). *Understanding Michael Porter: The Essential Guide to Competition and Strategy*. Harvard Business Press. p35-54. ISBN-13: 9781422142295

- Norton Paley (2006). *The Manager's Guide to Competitive Marketing Strategies*. Thorogood Publishing. p.56. ISBN-13: 9781854183651

- Porter E. Michael (1998). *Competitive Advantage: Creating and Sustaining Superior Performance*. The Free Press. p33-36. ISBN-13: 9780684841465

- Rao, Parvathiswara & Sivaramakarishna (2009). *Strategic Management and Business policy*. Excel Books India. p.121. ISBN-13: 9788174466686

- Ross Brennan, Louise Canning, Raymond McDowell (2014). *Business-to-Business Marketing*. SAGE. P87-113. ISBN-13: 9781446273739

- SCN Education B.V. (2000). *Webvertising: The Ultimate Internet Advertising Guide*. Springer Science & Business Media. p68. ISBN-13: 9783528031503

- T.R. Jain, Mukesh Trehan, Ranju Trehan (2010). *Business environment*. FK Publications. p80. ISBN-13: 9788189611880

- West Douglas, Ford John, Essam Ibrahim (2010). *Strategic Marketing: Creating Competitive Advantage*. Oxford University Press. p80-81. ISBN-13: 9780199556601

Journals

- European Commission. (2005). The new SME definition. *Official Journal of the European Union: ENTERPRISE AND INDUSTRY PUBLICATIONS*, p10-14. EN NB-60-04-773-EN-C 92-894-7909-4

Studies/Research Papers

- Academic Foundation (2004). R*eports on Investment Approval and FDI in India*. New Delhi, India: Academic Foundation . p313.

- Doležalová. Gabriela (2014). Employers' needs and readiness of graduates - investigation in the tertiary sector. *VIP kariera*. 1 (1), p.26-28.

- Kotler, Philip, P. Gregor, and W. Rogers (1977), "The marketing Audit comes of age", "Sloan Management Review, winter, p.25-44

- LinkedIn Talent Solutions. (2014). *Talent Trends 2014.* Available: https://snap.licdn.com/microsites/content/dam/business/talent-solutions/global/en_US/c/pdfs/linkedin-talent-trends-2014-en-us.pdf. Last accessed 08.04.2015

- Vavrejnová Marie. (2003) Workforce mobility before and after joining the EU. *Forum for cooperation in the field of labor market policy*. University of Economics, Prague, p2.

Online

- Agentka s.r.o. (2014). Financial Statements [2013]. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=20211358&subjektId=368664&spis=229483. Last accessed 20.03.2015.

- ALMA MEDIA CORPORATION I.. (2012). *ALMA MEDIA ACQUIRES LEADING ONLINE RECRUITMENT SERVICES IN SLOVAKIA AND SEVERAL NEIGHBOURING COUNTRIES.* Available: http://www.almamedia.com/press_room/releases/2012/#alma-media-acquires-leading-online-recruitment-services-in-slovakia-and-several-neighbouring-countries. Last accessed 01.04.2015

- ALMA MEDIA CORPORATION II.. (2013). *ALMA MEDIA CORPORATION: ALMA MEDIA WIDENS CAREER SERVICES JOINT VENTURE WITH MONSTER* Available: http://www.almamedia.com/press_room/releases/2013/#alma-media-corporation-alma-media-widens-career-services-joint-venture-with-monster. Last accessed 01.04.2015

- Bernstein David. (2015). *Job Boards: An Enduring, Evolving Recruitment Marketing Channel.* Available: http://www.recruitingtrends.com/thought-leadership/440-job-boards-an-enduring-evolving-recruitment-marketing-channel. Last accessed 05.04.2015.

- Biro Meghan M. (2015). *Recruiting In-Demand Talent Is About Relationships And Trust.* Available: http://www.forbes.com/sites/meghanbiro/2015/03/16/recruiting-in-demand-talent-is-about-relationships-and-trust/. Last accessed 27.03.2015.

- Crush Peter. (2014). *Have job boards really had their day?*. Available: http://www.personneltoday.com/hr/future-of-job-boards-have-job-boards-really-had-their-day/. Last accessed 06.04.2015.

- ČESKÝ TRH PRÁCE s.r.o.. (2014). Financial Statements [2013]. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=21490526&subjektId=130396&spis=628647. Last accessed 21.03.2015.

- ČT24. (2015). *State invests in the Rychnov two billion due to expansion automakers.* Available: http://www.ceskatelevize.cz/ct24/ekonomika/305679-stat-investuje-na-rychnovsku-dve-miliardy-kvuli-rozsireni-automobilky/. Last accessed 13.03.2015.

- Czech National Bank (2015). *Foreign direct investment.* Available: https://www.cnb.cz/en/statistics/bop_stat/fdi/index.html. Last accessed 13.03.2015. Czech Statistical Office I. (2014). *Number of job seekers and the proportion of unemployed persons by region.* Available: http://vdb.czso.cz/vdbvo/mapdetail.jsp?cislotab=PRA0100PU_KR&kapitola_id=15&cas_3_47=20141231&. Last accessed 20.03.2015.

- Czech Statistical Office II. (2014). *Computer and internet in the Czech households.*Available: https://www.czso.cz/documents/10180/20541931/3201814_0803.pdf/6138f7db-3276-4c1e-ad95-d5c86e09d5ec?version=1.1. Last accessed 21.03.2015

- Czech Statistical Office III.. (2014). *Selected demographic data in the Czech Republic.* Available: https://www.czso.cz/documents/10180/20541931/3201814_0101.pdf/69279796-27ca-4da8-9022-0be0b8b48f85?version=1.0. Last accessed 21.03.2015.

- Czech Statistical Office IV. (2014). *Education levels of the Czech population aged 15 and over by results "Labour Force Survey".* Available: https://www.czso.cz/documents/10180/20541931/3201814_0104.pdf/5be432c4-950e-433b-bacc-283372a65864?version=1.0. Last accessed 21.03.2015.

- Czech Statistical Office I. (2015). *Inflation - types, definitions, tables.*Available: https://www.czso.cz/csu/czso/mira_inflace. Last accessed 20.03.2015.

- Dean Vuletic. (2003). *The death of the districts.* Available: http://www.radio.cz/en/section/curraffrs/the-death-of-the-districts. Last accessed 13.03.2015.

- Dickey-Chasins Jeff. (2015). *What's really disrupting the job board industry?*. Available: http://www.hrexaminer.com/whats-really-disrupting-the-job-board-industry/. Last accessed 05.04.2015

- džob s.r.o.. (2014). Financial Statements [2013]. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=20676538&subjektId=634485&spis=740837. Last accessed 21.03.2015.

- Eurostat. (2014). *Use of internet on mobile devices, by type of device, 2012 (% of individuals aged 16 to 74).* Available: http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Use_of_internet_on_mobile_devices,_by_type_of_device,_2012_(%25_of_individuals_aged_16_to_74)_YB14.png. Last accessed 27.03.2015.

- Finance.cz. (2015). *Gross domestic product.* Available: http://www.finance.cz/makrodata-eu/hdp/statistiky/vyvoj-hdp/. Last accessed 20.03.2015.

- Fister Gale Sarah. (2013). *Job Boards Are Down but Not Out.*Available: http://www.workforce.com/articles/9128-job-boards-are-down-but-not-out. Last accessed 06.04.2015

- Hague Paul, Matthew Harrison. (2014). *Market Segmentation in B2B Markets.* Available: http://www.b2binternational.com/publications/b2b-segmentation-research/. Last accessed 20th Dec 2014.

- Hovorková Kateřina. (2014). *No jobs wil be lost, promises a current survey.* Available: http://finance.idnes.cz/vysledky-pruzkumu-spolecnosti-hays-dvb-/podnikani.aspx?c=A140306_095712_podnikani_kho. Last accessed 27.03.2015.

- Hovorková Kateřina. (2015). *Fraud of recruitment agencies.*Available: http://finance.idnes.cz/nekale-praktiky-personalnich-agentur-d8q-/podnikani.aspx?c=A150121_130128_podnikani_kho. Last accessed 06.04.2015.

- Investopedia.com. (2014). *Market Segmentation.* Available: http://www.investopedia.com/terms/m/marketsegmentation.asp. Last accessed 20th Dec 2014.

- LMC s.r.o.. (2014). Financial Statements [2013], Annual Report [2013], the report on relations according to §66a ods.9, the auditor's report. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=17606844&subjektId=686769&spis=167675. Last accessed 21.03.2015.

- Lynn Kirby, Ph.D. Larry Weiser, Ph.D.. (2005). *Glossary of Economic Terms and Concepts.* Available: http://www.economicswisconsin.org/guide/glossary.htm. Last accessed 12.11.2014.

- Menclová Petra I. (2014). *Czech Republic signed a contract with Korean Nexen investment for 22.8 billion crowns.* Available: http://www.czechinvest.org/ceska-republika-podepsala-smlouvu-s-korejskym-nexenem-o-investici-za-228-miliardy-korun. Last accessed 13.03.2015.

- Menclová Petra II. (2014). *In Q1 2014 CzechInvest mediated 116 investment projects.* Available: http://www.czechinvest.org/za-1-pololeti-2014-zprostredkoval-czechinvest-116-investicnich-projektu. Last accessed 13.03.2015.

- Monster Worldwide CZ s.r.o.. (2014). Financial Statements [2013], Annual Report [2013], the report on relations according to §66a ods.9, the auditor's report. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=20332095&subjektId=512493&spis=154900. Last accessed 20.03.2015.

- NETIA s.r.o. (2014). Financial Statements [2013]. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=17698780&subjektId=602163&spis=720178. Last accessed 20.03.2015.

- Netlingo.com. *Release.* Available: http://www.netlingo.com/word/release.php. Last accessed 06.04.2015

- Oppik.cz (2015). *Subsidy programmes.* Available: http://www.oppik.cz/en/subsidy-programmes. Last accessed 13.03.2015.

- Portál práce KARIERA.CZ s.r.o.. (2014). Financial Statements [2013]. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=17763585&subjektId=571163&spis=731394. Last accessed 20.03.2015.

- Pravo. (2015). *Growing importance of key competencies.* Available: http://www.novinky.cz/kariera/358122-roste-vyznam-klicovych-kompetenci.html. Last accessed 27.03.2015.

- Profitworks.ca. *What is SEO?.* Available: http://www.profitworks.ca/services/what-is-seo-a-definition-of-search-engine-optimization.html. Last accessed 06.04.2015.

- RB recruitment s.r.o. (2014). Financial Statements [2013]. Available: https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=17551436&subjektId=408530&spis=253730. Last accessed 20.03.2015.

- Reuters.com (2011). *Alma Media acquires the leading online recruitment company in the Czech Republic* .Available: http://www.reuters.com/article/2011/12/21/idUS89187+21-Dec-2011+HUG20111221 Last accessed 01.04.2015.

- Sedlák Jan. (2013). *Czech companies are increasingly seeking employees through social networks.* Available: http://e-svet.e15.cz/it-byznys/ceske-firmy-stale-vice-hledaji-zamestnance-pres-socialni-site-1018544. Last accessed 27.03.2015.

- Skalová Jana. (2009). *Which employment portals are most famous ones?.* Available: http://firmy.finance.cz/zpravy/finance/225491-ktere-personalni-portaly-jsou-u-nas-nejznamejsi/. Last accessed 05.04.2015.

- Slavíková Martina. (2014). *The impact of Russian-Ukrainian crisis.* Available: https://www.erasvet.cz/informace-z-ps/pro-media/stranky/tz140916.aspx. Last accessed 01.04.2015.

- Slížek David.(2013). *Seznam.cz starts Volnamista.cz, with job advertisements server to 350 characters.* Available: http://www.lupa.cz/clanky/seznam-spousti-volnamista-cz-server-s-pracovnimi-inzeraty-do-350-znaku/. Last accessed 01.04.2015/

- The Ministry of Labour and Social Affairs of the Czech Republic. (2015). *Unemployment statistics.* Available: https://portal.mpsv.cz/sz/stat/nz/mes. Last accessed 20.03.2015

- Trejbal Václav. (2015). *The December inflation fell and increasing pressure on the CNB. Euro sells for 28 crowns.* Available: http://byznys.ihned.cz/c1-63355400-prosincova-inflace-klesla-a-tlak-na-cnb-roste-euro-se-prodava-za-28-korun. Last accessed 21.03.2013

- Vejvodová Nela. (2014). *The job market is slowly healing. In some areas continues to decline.* Available: http://finance.idnes.cz/pracovni-trh-a-volna-mista-ve-ctvrtem-ctvrtleti-2014-fwp-/podnikani.aspx?c=A140911_2098427_podnikani_zuk. Last accessed 06.04.2015.

Detailed analysis of the following job portals was conducted in March 2015

- Easyprace.cz
- Dzob.cz
- Agentka.cz
- Jobdnes.cz
- Dobraprace.cz
- Pracevcr.cz
- Hyperprace.cz
- Superkariera.cz
- Joblist.cz
- Zivotopisy.cz
- Jobs.cz
- Prace.cz
- Monster.cz
- Profesia.cz
- Volnamista.cz

List of Graphs, Tables, Figures and Pictures

Appendices

Appendix 1: Overview of the major job portals on the Czech Market listed in strategic Groups.

No.	Leaders	No.	First Followers	No.	Second followers
1	Jobs.cz	1	Agentka.cz	1	Flek.cz
2	Prace.cz	2	Hyperprace.cz	2	Kdejeprace.cz
3	Profesia.cz	3	Dobraprace.cz	3	Joblist.cz
4	Monster.cz	4	Easyprace.cz	4	Jobsboard.cz
5	Volnamista.cz	5	Dzob.cz	5	Pracovniportal.cz
		6	Superkariera.cz	6	Atraktivni-prace.cz
		7	Spravnykrok.cz	7	Jobhunter.cz
		8	Jobdnes.cz	8	Aktualninabidkyprace.cz
		9	Zivotopisy.cz	9	Pracovniprilezitost.cz
		10	Pracevcr.cz	10	Zamestnani.cz
		11	Hotjobs.cz	11	Qprace.cz
		12	Annonce.cz/prace-brigady-volna-mista.html	12	Tip-prace.cz
				13	Inwork.cz

No.	Third followers	No.	Niche players	No.	Job aggregators
1	Jobmaster.cz	1	Pracenadalku.cz	1	Cz.indeed.com
2	Personal.cz	2	Unijobs.cz	2	Jobkralle.cz
3	Najdipraci.cz	3	E-pracovniportaly.cz	3	Jooble.cz
4	Jprace.cz	4	Portalpracepraha.cz	4	Jobrapido.cz
5	Eurecprace.cz	5	Pracezeny.cz	5	Jobsmart.cz
6	Jobinzert.cz	6	Pracenad50.cz		
7	Hledampraci.cz	7	Pravevit.cz		
8	Workmarket.cz	8	Ajob.cz		
9	Prace.avizo.cz	9	Mobojobo.cz		
		10	Jobfairs.cz		
		11	Fajn-brigay.cz		
		12	Ikariera.cz		

Appendix 2: Full Pricelist of Aulinks.cz for April 2015.

Advertising

	ADVERTISING STANDARD	ADVERTISING STANDARD PLUS	CLASSIFIEDS PREMIUM
Publication 30 days	✔	✔	✔
Updates	✖	✔	✔
HOT jobs	✔	✔	✔
Highlighting	✖	✖	✔
First among advertising	✖	✖	✔
Logo in search results	✔	✔	✔
	Order	Order	Order

Standard (Kč)						
1pc	5pc	10pc	25pc	50pc	100pc	300pc
259	1036	1735	3885	6475	10360	23310

Standard plus (Kč)						
1pc	5pc	10pc	25pc	50pc	100pc	300pc
499	1996	3343	7485	12475	19960	44610

Premium (Kč)						
1pc	5pc	10pc	25pc	50pc	100pc	300pc
759	3036	5085	11385	18975	30360	68310

Buy contacts from resumes (Kč)					
10pc	25pc	50pc	100pc	250	500
690	1380	2415	4140	7590	12144

Advertise temporary Jobs (Kč)					
5pc	10pc	25pc	50pc	100pc	300pc
396	663	1485	2475	3960	8910

Appendix 3: Pricing strategy comparison of the 7 most direct competitors to aulinks.cz. Analysis conducted in March 2015.

	Easyprace.cz	Dzob.cz	Agentka.cz	Jobdnes.cz	Dobraprace.cz	Pracevcr.cz	Hyperprace.cz
1 Job Ad. (Kč)	1500	Free	Free	2000	550	700	8/1 Day
1 CV Contact info (Kč)	80	Free	Paid 1 kredit	7000/1M (unlimited contacts)	4500/3M (unlimited contacts)	Free if 1 job ad bought	20
Additional Services	Top employers	Paid XML Import (Individual service)	Banners, improving job ads.	Jobdnes.cz profi + packages	Paid XML import, banners, hyperlinks	VIP packages, packages of job ads	Additional services to job ads, banners, top employer.