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Title of the Master´s Thesis:

Communication strategy for the miTeam platform with focus on the Czech sport market

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Declaration of Authenticity

I hereby declare that the Master´s Thesis presented herein is my own work, or fully and specifically acknowledged wherever adapted from other sources. This work has not been published or submitted elsewhere for the requirement of a degree programme.

Prague, August 11, 2017   Signature

Acknowledgements

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Abstract:

The thesis aims to provide the communication strategy for online platform miTeam on the Czech market. The platform enables sport teams to customize and personalize adidas team wear for their teams. The theoretical part of the thesis introduces various ways to perform a situational analysis, which helps to map external and internal environments and which has not been conducted for the platform before. Afterwards, the theoretical part reveals key concepts of the marketing mix, provides tools of the communication mix and introduces all the necessary steps to create a complex communication strategy. The practical part contains a situational analysis, which is based on theoretical findings, an output of two surveys and a secondary research of available data. The analysis is the base for the overall communication strategy of miTeam, which the thesis elaborates on in the second half of the practical part.

Keywords:

Communication strategy, situational analysis, adidas, miTeam

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Introduction

Product personalization and customization represent main trends, which are shaping customer-shopping experience. Moreover, it is believed that the importance of these features will grow over time (Conroy at al, 2015). The fashion business is not an exception and a longing to have an original wear is almost crucial in category of team wear, in which every team wants to be unique and original.

The international corporation adidas Group offers a platform that enables sport teams to adjust their adidas sportswear based on their wishes and preferences. Moreover, the platform includes a wide variety of sports and product ranges and thus provides its customers with a wide offer to choose from. This platform is available on the Czech market and represents a potential growth of sales for the future. So far, the communication and business development of the platform have been driven mainly by ad-hoc demand from the customer side and have lacked any specific communication strategy.

The main goal of the thesis is to propose a communication strategy for adidas miTeam platform for the Czech market. The thesis should be used at a later stage as a supportive report for an adidas team responsible for the platform and its development on the Czech market. Implementation of the findings should lead to an increase in awareness of the platform among customers and growth of sales generated by the platform on the Czech market.

The theoretical part will first introduce the specifics of marketing strategy in large international corporations and introduce the role of communication. Then, it will elaborate more on two parts of the strategy. At first, situational analysis will be described as later in the thesis it will be useful for analysing the internal and external environment and defining the competition overview. The emphasis on analysis was chosen because no similar analysis has been done for the Czech market regarding the platform before. Later, the author will describe segmentation, targeting and positioning, which together with the situational analysis will create the base for the communication strategy proposal.

Secondly, the author will continue by exploring the theory on marketing mix focusing on the communication strategy divided into online and offline communication. The focus on communication was chosen for the reason that it is a part of the marketing mix, which can be adjusted locally given the fact that the platform is managed globally and thus for instance any changes in pricing or product strategy would have to be done on a global level. Since the

platform can be defined as a specific sort of e-commerce, which offers sport team wear, the theoretical part will be enriched with specifics of online marketing and sport marketing. Current literature, journals and online articles related to relevant topics such as e-business, e-commerce or sports marketing will be reviewed for the theoretical part. Additionally, the author of the thesis worked for the company for 1.5 years being responsible for the platform, among other things, therefore in the thesis he will draw from this expereince and gained background as well.

Based on findings from the theoretical part, the author will propose a complex communication strategy for the platform on the Czech market for a period of one-year. First, it will draw upon theories on situational analysis and provide SWOT analysis of the miTeam platform as well as map the competitive environment. The analytical part will be complemented with outputs from surveys conducted among customers and retail partners of adidas, which are sales channels of the platform. Afterwards, suggesting on what the segmentation, targeting and positioning of the platform should be will be made. Based on the analytical output, a communication strategy will be proposed, combining prior theoretical research and good case practices from other markets. The communication strategy will consist of its objectives, the message to be conveyed, the communication mix and cost estimations. The strategy proposal will also be enriched with inputs of experts from the field of e-commerce marketing and internal sources of the company. Finally, the thesis will be concluded stating the main findings and commenting on the limitations that the author has come across during his research.

1. The marketing strategy overview and the role of communication

Based on Smith (2008), the marketing strategy can be understood as the process of planning and implementing activities that are supposed to lead to meeting given targets set by the organization. In most cases, those targets are closely related to the ultimate goal of every commercial organization, which is maximizing profits through the satisfaction of customers' needs and desires. In the sports environment, the marketing strategy can be perceived from two different perspectives. Firstly, it is implementation of general marketing theories into sport related-products. Secondly, it can be viewed as marketing of various products through sport events. In the thesis, the author will work mainly with the first perspective.

Shilbury et al (2003) divides marketing strategy into three main phases as shown in Table 1. The first phase identifies marketing opportunities taking into consideration the external and internal environment and conducting proper market research. This stage is supposed to provide enough data to determine a relevant strategy and is a vital preparation for the second stage – strategy determination. The initial step in strategy determination is setting right objectives of the strategy. Afterwards, based on the situational analysis a marketer identifies the right segments to target and defines the positioning strategy. The situational analysis, positioning, targeting and overall objectives serve also as a base for the communication strategy, which is part of the marketing mix. The communication or promotion (see chapter 2) delivers marketer's message about its offering to chosen target audience, completes other aspects of the marketing mix and significantly contributes to execution of the overall strategy. Last two steps of strategy determination should include budgeting of strategy and analysing potential risks and their mitigations. In the final phase, strategy should be evaluated and adjusted if needed.

Situational Analysis	Strategy determination	Strategy implementation, evaluation and adjustment
Analysis of external environment	Determine objectives of strategy	Implementation of marketing mix
Analysis of internal environment	Segmentation, targeting a positioning	Evaluation of marketing mix
Conducting market research	Marketing mix	
Identifying opportunities based on prior analyses	Financials	
	Risks and mitigations	

Table 1: The strategic sports-marketing planning process   Source: Shilbury at al (2003)

1.1. Situational analysis as a base for communication strategy

Before making any decisions, it is important to define variables that have a significant effect on the strategy. Situational analysis aims at answering crucial questions such as what opportunities exist on the market place, what the competition is doing, what strengths and weaknesses of the product has or what customer's relevant wants and needs are (Smith, 2008). The analysis should help to define the right combination between the opportunities the market offers and the capabilities of a company. The content of the proper situational analyses should cover five fields quoted as 5Cs framework (Jakubíková, 2008), which is broken down to Company, Customers, Collaborators, Competitors and Context/Climate. These five areas should cover the external and internal environment and create foundations for strategy determination.

Company analysis should answer questions such as what point of differentiation has the company reached with its offerings, what strengths and weaknesses does the company have and which sources does the company have an access to. The section about customers should provide information about the company´s target audience, about their needs, motivations and purchasing patterns. Collaborators are all partners of the company that contribute to the company´s business and each company should try to find ways to build and strengthen those relationships. The overview about competitors, their activities and their strengths and weaknesses should be of high concern for a marketer, since they significantly influence the business environment. The climate, which the company operates in, is the last piece of the puzzle. A marketer should define what are the threats and opportunities, he/she should know what trends and technologies influence the business and addresses the question of how attractive is the market for the company (Winn, 2012). It is important to keep in mind that the analysis does not have to cover all five parts equally and should be adjusted based on the subject under consideration. It means that not all 5Cs must be covered in a particular analysis and that the focus on each particular C can differ (Anderson, 2005).

There are a lot of tools and methods in place that may be helpful during situational analysis. For the purpose of the thesis, the author will use SWOT analysis to map the external and internal environment defining the strengths, weaknesses, threats and opportunities and thus covering the company and climate aspects of 5Cs framework. The part that will follow then focuses on competition analysis for defining competitors, which are on the market. In the practical part,

the author will complete the whole framework by conducting surveys to get an overview about the customers and collaborators.

SWOT analysis

The SWOT analysis is one of the main tools for conducting an internal analysis and for evaluating the external environment for the strategy of a whole organization, a department or a single product (Mind Tools, 2016). The analysis should help define the as-is state of the subject of the analysis and the to-be state. Moreover, its outputs are easily understandable and provide a comprehensive assessment of the subject of analysis (Murphy, 2005). Table 2 presents all the aspects of SWOT analysis, which are included in the matrix combining origin of aspects (internal or external) and their effects on the company (positive or negative). The part evaluating internal status quo defines the strengths and weaknesses. In other words, the factors, which the company has control over and can influence. This section should help define the main competitive advantage that distinguishes a product from competitor products and at the same time point out the aspects that weaken the position of a product. Strengths have a positive effect and should be developed and leveraged for the organization to succeed. Weaknesses present a negative side and should be changed or diminished. The aim of the external part is to analyse prospects for future growth and threats, which may, on the contrary, have a negative effect on the business. More specifically, it reveals opportunities that should be taken advantage of and exploited for future success as well as threats, which need to be taken into consideration and be prepared for (Smith, 2016, Morisson 2016).

	Positive effect	**Negative effect**
Internal origin	Strengths - develop them - build on them - leverage them	Weaknesses - change them - stop them
External origin	Opportunities - prioritize them - build on them - exploit them	Threats - count on them - mitigate them

Table 2: SWOT analysis matrix   Source: Morisson (2016)

Chaffey (2009) developed the SWOT analysis even further. According to him, SWOT can do more than just describe a current situation, it can offer strategies itself when strengths, weaknesses, opportunities and threats are combined together. As it can be seen in Table 3, attacking approach uses strengths to exploit opportunities, which are on the market. WO strategies recommend focusing on the mitigation of weaknesses using strengths and thus

building a foundation for attacking approach. If strengths are used to reduce threats instead of exploiting opportunities, the company is said to take defensive approach. Company can also focus on reducing the influence of weaknesses and threats and thus establish a base for future defensive strategy.

	Strengthens	**Weaknesses**
Opportunities	SO strategies -> Attacking strategy	WO strategies -> Building strengths for attacking strategy
Threats	ST strategies -> Defensive strategy	WT strategies -> Building strengths for defensive strategy

Table 3: SWOT strategy framework   Source: Chaffey (2009)

According to UGM Consulting (2010), SWOT analysis has the following advantages and disadvantages. On the one hand, logic behind SWOT is very easy to understand and applicable in practice. Moreover, it can be adapted to all kinds of industries and organization needs. Finally, it enables to create a big picture analysing the external and internal environment. On the other hand, it can be very subjective and always requires proper data collection that is very often neglected. Moreover, it does not take into consideration the fact that some topics are more important than others are and it does not enable to prioritize or rank. Finally, it does not consider how the subject of analysis is perceived by the external environment (e.g. shareholders or customers).

Competition

It is important for a communication strategy proposal to have a good overview of the competitors. The activities of competitors influence firm's abilities to reach given targets and the firm has to be able to react to changes in the competitive environment. Moreover, monitoring competitors regularly is even more important in the e-commerce environment given the dynamic nature of the Internet. Therefore, it is vital to conduct careful analyses of competitive products and define their strengths and weaknesses.

Smith (2016) recognizes three types of competitors - immediate competitors, secondary competitors and indirect competitors. Immediate competitors satisfy almost the same customer needs in the same way. In other words, a customer can easily substitute one brand for another satisfying the same need and buying a product with very similar characteristics. Secondary competitors target similar needs but usually in a different way – either with a different service

or with different product. Finally, indirect competitors "*make a consumer seek satisfaction of different needs, then he intended to*" (Smith, 2016, p.62).

While conducting competitor analysis the first step is to define who the immediate, secondary and indirect competitors are. If a company operates on the niche market or a market with a few other players, it may be very easy to conduct an analysis. On the other hand, if a mass market with many competitors is observed, the analysis may become very difficult, very time demanding and may require more resources. If this is the case, it is recommended that the company uses the Pareto's rule and focuses mainly on only 20 percent of the competitors, which generate 80% of market revenues. Moreover, the definition should also cover possible new entrants and describe how difficult it is to enter the market. Only after defining the right competitors can the analysis be conducted (Smith, 2016).

Based on the article published by Edward Lowe Foundation (2015), the analysis should consist of three steps. First proper desk and terrain research should be conducted to collect as much relevant information about competitors as possible. For desk research, various sources are suggested such as advertising activities of competitors, their annual reports, company websites or social profiles. As for terrain research, direct observations are proposed through mystery shopping, mystery calls or customer interviews.

After enough information is gathered, the analysis is conducted as follows. The product is evaluated based on certain criteria using information gained from the desk and terrain research. The criteria are set based on the nature of the product and data availability. In the case of e-commerce, the following areas can be considered: product selection, customer service, marketing activities, position in search engine results page, user friendliness of website etc. Then each criterion is ranked on the scale from ten to one to find out strengths and weaknesses (Roggio, 2012).

It is also important to take into consideration the position of competitors on the market. The market share is widely used for evaluating company performance on the market. The final step is to define key competitive advantages and disadvantages and to map the competitive environment. It is important to mention that benchmarking activities should be conducted not only within situational analysis but it should be also an on-going process which aims to reflect the fast changing environment in order to be flexible towards new competitive threats (Chaffey 2009).

1.2. Segmentation, Targeting and Positioning for communication strategy

Another step to establish the right communication strategy is to use data that was gathered during the situational analysis and data gained from market research. This data should then be used to define the opportunities offered by the market. This knowledge will lead to the definition of objectives, which the strategy will aim to achieve and based on which the main key performance indicators (KPIs) of the strategy will define. Moreover, the situational analysis can be also considered as a source for splitting the market into segments, for right targeting of those segments and for selecting right positioning.

Segmentation

Market segmentation is the process that "*divides a market into distinct homogenous groups that have similar needs and that will respond similarly to a marketing action*" (Belch at all, 2012, p.133). The first step of segmentation is the research of relevant data. The collection of data is managed through different techniques such as focus groups, interviews or questionnaires. These activities should bring insights into motivations and behaviour patterns of customers and define their characteristics. The collected data is afterwards clustered into the groups, which consist of chunks of data that have more similarities within the group than those in other groups. Finally, every group is then defined by attributes that are common for members of the group and at the same time differentiate the group from others (Kotler, 2000).

Smith (2008) describes six ways to approach segmentation of a customer. Demographic segmentation is the most conventional method and includes age, gender, ethnicity, religion and the life cycle of a customer. The traditional life cycle contains stages in life such as being single, marriage or having children. However, new categories such as a single parenthood or same sex partnerships also need to be taken into consideration for the right demographic segmentation in today´s society.

Another straightforward way of segmentation is done from the geographic perspective. The climate, location and landscape influence customers´ preferences and their choices. Socio-economic segmentation divides the market into clusters based on closely related attributes such as income, occupation, purchasing power and education. Sportswear brands often have portfolios including brand lines that are differentiated by the price level and thus cover more segments with different purchasing power (Smith, 2008).

More complex way to approach segmentation is grouping customers based on their lifestyle or their behaviour. The former maps the lifestyle of customers and studies their routines, opinions, motivations or habits. It answers the question why customers decide to make a purchase. Fashion branches of apparel and footwear businesses are those in which lifestyle segmentations reach high relevancy. A common metrology to segment a market based on lifestyle is the VALs metrology.
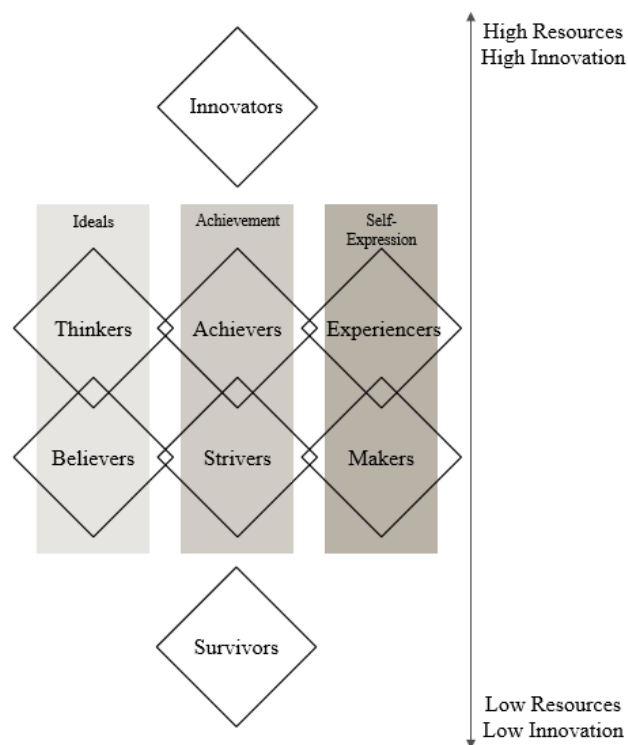
Figure 1:VALS^{TM} Framework   Source: SRI Consulting Business Intelligence (1978)

VALs was introduced by SRI International in 1978, concentrating on values and the lifestyle of customers, it allocates them into 8 segments characterizing specific values (Shank, 2009). Figure 1 shows those 8 segments in relation to resources (income, intelligence etc.) on the vertical axis and motivations on the horizontal axis. Innovators are on the top of this scheme with high resources, high individualism and high motivation to achieve their goals. On the other side, there are survivors, who have low resources, do not seek challenges and are not motivated to innovations. They do not like changes and very often form loyal customers. The horizontal dimension consists of customers who make decisions based on knowledge or principles (thinkers or believers) on the left side, a group that is motivated by aspirations to show their achievements to others (achievers and strivers) placed in the middle. Finally, the group of

customers who want to express themselves and seek social activities and risks (experiencers and makers) are situated on the very right at the horizontal axis (Bhasin, 2006).

Segmentation can be done from the behaviour point of view examining purchasing patterns of customers. It monitors the frequency of purchases, how much is being purchased, which situations lead to purchase decisions and the level of loyalty of costumers. It is obvious that to keep customers loyal requires a different strategy than to acquire new ones.

Finally, Stotlar (1993) mentions segmentation based on benefits. The basic principle comes from the fact that a customer does not purchase a product but rather the benefits, which the product offers. Segmentation based on this principle is possible because one product can possess more benefits, which enable a marketer to create more segments for one product.

Targeting

When segments are defined, a marketer has to decide on a right targeting approach. To do the targeting properly, chosen segments must be first of all differentiated from others, second of all the organization must have enough resources to cover chosen segments and third of all they must be financially attractive for the organization.

A marketer has the option to focus only on one segment and apply a so-called concentrated targeting that is appropriate for example for niche markets. This approach has potential to create tailored and targeted marketing communication with high cost efficiency. On the other hand, it puts all eggs into one basket and this can be risky. To spread this risk, the marketer can also adapt a multiple approach targeting more segments with unique marketing strategies for each of them. This approach will lower the risk but at the same time, it will cost naturally more money. It can also be more challenging and require other resources such as people or specific knowledge. Finally, the marketer can consider the market as one big cluster of potential customers and apply undifferentiated targeting and thus one strategy for the whole market. It can be cost effective but at the same time, it is more difficult to draw attention of customers using a unified strategy if there is fierce competition. (Shilbury at al, 2003).

Positioning

"*Positioning refers to creating an image of the products in the mind of the target consumer relative to the major competitors* (Morgat et al, 2005, p.99)." Positioning should clearly convey

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the message to customers about the benefits of a product and what differentiates it from those of competition.

Demanded benefits reflect the customers' needs, which can be functional, symbolic or hedonic. Symbolic needs meet customers' aspirations for increasing their social status and expressing themselves in a way they would like to be perceived by others. Hedonic needs ask for sensory, cognitive stimulations and novelty. These needs are usually satisfied with pleasant feelings and experience. Last but not least, meeting functional needs means solving a consumption related problem. Usually, functional needs are easiest to be identified and also to be satisfied (Hoyer et al, 2010).

Knowledge of positioning of competition and their products is necessary for setting a strategy that draws from the benefits of differentiation. A valuable instrument for mapping the market from this perspective is the positioning map. Not only does the positioning map display the simplified competitive landscape, but it also helps to uncover new market opportunities and display the relationship between price and other variables. The positioning map consists of two axes that display scales for at least two attributes that matter to a customer – one of those attributes is usually price. The first step in creating the map is defining the market, its boundaries, target segments and players that are on the market. As the second step, market data such as price and product benefits of competitors should be collected and rated to get insights as to where to put products in the positioning map. As the final step, the product is placed into the map based on its price and level of chosen benefits (D'Aveni, 2007).

Before the right strategy is chosen, the marketer should decide on the right positioning statement, which summarizes the core message that should be communicated to a customer about a product. "*It should be a short expression of positioning containing all positioning elements – product, target consumer, consumer benefit and differentiating aspect from competition* (Machková et al, 2010, p.100)."

If a segment seeks mainly functional benefits, it is reasonable to position the product based on its functional strengths and communicate those attributes, which meet customers' needs. In this case, the company should try to communicate the so-called unique selling proposition of the product that differentiates it from competitors´ products in terms of quality and the functionality. If a segment is more emotionally oriented, then it is useful to highlight the psychological attributes of a product. It should appeal to customer psyche and target his or her

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wishes and longings. Emotional benefits are also triggered by lifestyle focused positioning within which the product represents a certain lifestyle, which a customer identifies with. If the communication is focused on emotional aspects, the company communicates its emotional selling proposition (Pelsmacker et al, 2014). For price sensitive segments, differentiation through good price offer is the right choice to attract the chosen segment. Finally, market leaders can leverage on their strong market position and either implement their brand position into the positioning strategy or for example connect the product with a celebrity or its country of origin. In all aforementioned cases, positive associations can be assigned to a product and help in the positioning attempts (Machková et al, 2010).

2. Communication strategy as a part of the marketing mix

The marketing mix is a crucial part for strategy determination and can be defined as "*a set of tools that firm uses to pursue its marketing objectives in the target market*" (Kotler, 2000, p. 9). The traditional approach towards the marketing mix is known as the 4Ps framework – Price, Product, Place and Promotion proposed by McCarthy (1964). Booms and Bittner (1981) took into consideration service oriented businesses and further developed the framework adding other 3Ps - People, Process and Physical evidence. Chaffey (2008) then "remixed" the 7Ps framework and made it applicable to the digital world. Moreover, Chaffey added an extra P standing for Partnership, although it can be also perceived as a part of Place.

Peppers and Roggers (1999) came up with a complement to the 7Ps introducing 5Is, which should reflect the impact of the information age. While 7Ps define aspects, which marketers control, the 5Is describe the processes that are needed for execution of a strategy. Based on this approach, an enterprise has to identify the specifics of each customer. Then it uses this information and creates an individualized offer for each customer. It is also important to build a relationship with the customer through an interaction with him/her. Forth of all, all knowledge about the customer should be integrated into every marketing action, which the company undertakes. Fifth of all, the emphasis on integrity should develop trust of a customer and encourage his collaboration with a company in long run.

Finally, Lautenborn (1990) introduced an alternative to the traditional 4Ps concept introducing the 4Cs, which focus on the mix from the customer´s perspective. In this concept, the costumer replaces the product and his/her needs are considered being crucial. The price is turned into the costs of the customer investigating not only the price of the product but the whole cost that the customer has to pay to satisfy her/his needs. Third of all, instead of deciding about the place, the marketer has to focus on the convenience to the customer and find a way that makes his/her product accessible easily and fast. Finally, instead of promoting the product, not only should the marketer communicate the value of the offer to the customer but also interact with him/her and engage him/her. Since the nature of the product, which is subject of the thesis, needs significant engagement of the customer, the author decided to work with the method focusing on the customer and thus preferring 4Cs approach to 4Ps.

Based on Shilbury et al (2003; p. 166), communication strategy is *"a controlled, integrated program of communication designed to present an organization and its products or services to prospective customers and communicate their needs satisfying attributes in order to facilitate sales"*.

The fundamental division of the communication strategy is into pull and push strategy. Push strategy aims at convincing intermediates such as retailers to promote products within their channels and to communicate products to the final customers for instance through sales promotion activities. On the other hand, pull strategy focuses on creating demand for a product among final customers using for example advertising techniques. Consequently, the final customer will be demanding the products on the shelves of the retailer and in turn, the retailers will be forced to meet this demand. Usually, both approaches are implemented because both are important for the successful marketing of the product on the market (Machková et al, 2010).

The communication strategy should draw on the conducted situational analysis and reflect the overall objectives of the marketing strategy. Smith (2008) suggests that the communication-planning process should consist of choosing the right target segments (already discussed in chapter 1.2), setting objectives, allocating a budget and developing a communication mix.

2.1. Objectives of the communication strategy

The three most commonly used objectives of communication strategies are informing about a product, making the customer buy a product or reminding the customer about existence of a product. In general, communication objectives should be drawn from objectives of the overall marketing strategy. The objectives should reflect the stages that a customer goes through before he makes a purchase and they should represent the aim of moving the customer to the next stage. The stages are displayed in the Hierarchy of effects that can be seen in Figure 2.
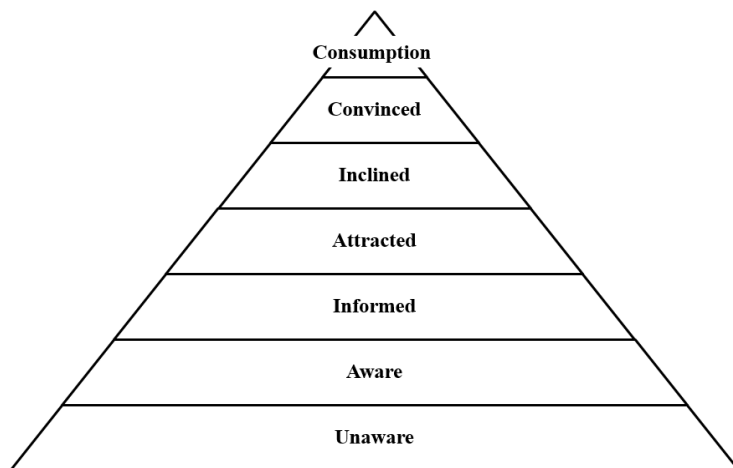
Figure 2: The Hierarchy of effects   Source: Smith (2003, p. 182)

At the beginning, the customer is unaware of the product and thus the goal should be to create this awareness – introduce the product. Afterwards, customers should be informed about the product's benefits and get attracted to the product through the creation positive feelings or opinions about it. Another step is showing the customer that the product is the best fit for him/her on the market so that he/she develops inclination towards it. Finally, the customer should be convinced about the purchase that would lead to him/her actually buying it. Those objectives can be then broken down into specific key performance indicators assigned to each used communication tool of the communication mix (Smith, 2008)

2.2. Communication message

Based on Shilbury (2003), the message that is communicated to the target audience is equally important for the setting right strategy as good segmentation and targeting. The message should be attractive for the target audience, clearly inform about the product, its benefits and which needs it will satisfy. Kotler (2000) claims that the message should guide the customer through three-response stages and reflect in which stage the customer is. First, it should catch the customer's attention appealing to his or her cognitive functions. Second, it should arouse his/her interest and desire for the product and finally evoke action. The model is called AIDA and is another variation of the Hierarchy of effects mentioned in the previous chapter. Kotler also introduces the four aspects that have to be taken into consideration while setting the message: *"what to say (message content), how to say it logically (message structure), how to say it symbolically (message format) and who should say it (message source)"* (Kotler, 2000, p. 274).

The message content should target customers based on their needs and trigger either emotional, rational or moral appeals. Rational appeals are related to functional needs of customers and triggered by communicating the unique selling proposition. By making emotional appeals, the marketer works either with negative emotions or positive ones and tries to communicate the emotional selling proposition. Both were already discussed in the subchapter 1.2. Finally, moral appeals are related to ethical and moral attitudes of the customer (Kotler, 2000).

Every marketer also has to consider in which way he presents the content in the message and choose the right structure. The choice of the right structure depends on the situation the marketer faces and the nature of the offering he is about to communicate. The marketer can easily communicate only the benefits of the product but he can also include the drawbacks of the offer. To mention the shortcomings in the message can be useful if the marketer has to first overcome negative associations linked to the product and actually turn the negative side of the offer to his favour (Kotler, 2000). Another point that needs to be thought through is the order of arguments. The marketer can position the strongest benefits of the message at the beginning to catch the attention of the audience, on the other hand if shortcomings are communicated as well, it is more efficient to start with the negatives and overbeat them with positives later (Sternthal et al, 1982; Unnava et al, 1994).

The final audience and the channels, which are used for conveying the message, influence the format of the message. The marketer has to consider every detail of the message communicated to the customer to successfully grab customers' attention and develop it. "*In a print, the communicator has to decide on headline, copy, illustration, and color. For radio, the communicator has to choose words, voice qualities, and vocalizations. If the message is to be carried on television or in person, all of these elements plus body language have to be planned* (Kotler, 2002, p. 275)."

Finally, the effectiveness of the message can be also affected by the source, which is conveying it, and by the source's credibility. Kotler (2002) claims that the credibility of the source is defined by the level of knowledge or expertise about the subject the source has, how much the source is perceived by customers as honest and objective and how attractive and likeable it is for customers. The higher values the source achieves for each of the criteria the more reliable it is. The value of each source can differ based on the nature of the offer.

2.3. Communication mix

As mentioned in the subchapter 1.1, Lautenborn's (1990) alternative to promotion is communication. While promotion aims to sell the product to the customer and represents one-way interaction between the company and the customer, communication approach is all about listening to the customer and thus creates real interaction between both entities. The communication mix is a set of interrelated activities, which altogether should draw the attention of the target customer, create or increase his awareness and finally encourage him/her to make a purchase. In other words, promotion is a way of communication and education of the customer about the enterprise's offer (Smith, 2008).

The basic division of the communication instruments is into above the line activities (ATL) and below the line activities (BTL). The former uses mass media such as television or radio to target a mass audience hence the communication is not customized individually. The latter puts emphasis on a personalized communication with a specific customer and usually enables to interact with him/her (Manral, 2011). However, in the current business environment, technological progress and growth of the influence of online media this traditional division weakens and brings new concepts such as through the line (TTL) communication, which enables to get the message across through several channels and basically integrate traditional ATL and BTL techniques together (Dindire, 2011).

2.3.1. The integration of online & offline tools in the communication strategy

The importance of online communication has been growing over the last years and expenditures in online marketing slowly take away a share of marketing budgets from investments into offline marketing. In 2018, global expenses devoted to online marketing are estimated to reach 37.6% of the overall marketing expenditures and it is believed that already in 2017 the Internet investments will be higher than investments into television advertising (ZenithOptimedia, 2016). Indeed, this fact does not mean that offline communication tools lose its importance. On the contrary, offline and online tools are not supposed to be substitutes but rather complements to each other and the right combination of both should be set to reach given targets and convey a consistent message to the target audience. According to Přikrylová et al (2010), integrated marketing communication, which targets each chosen segment with a different set of communication tools but conveys one consistent message, can create significant competitive advantage on the market.

The traditional communication mix consisting of advertising, personal selling, sales promotion, PR, sponsorships, direct marketing and event marketing have execution in both offline and online environments. For instance, a company can advertise in traditional media such as a television or go on the Internet and use search engine-advertising methods (Chaffey, 2008). In next subchapters, the author elaborates more on the tools relevant for the subject of this thesis.

A wide choice of tools, a dynamic online environment and a fierce competition are some of the biggest challenges a marketer has to face while putting together a feasible communication mix. Chaffey (2008) introduces the key elements for effective and efficient promotion.

- The marketer has to be able to set an optimum mix for different segments and be aware of the tools, which will have a significant effect and which ones just a minor influence.
- All communication tools must convey a consistent message and thus the integration of the whole mix is very important.
- The Internet offers limitless opportunities for communication and is accessible to enterprises of any size. Therefore, creativity and imagination can fully leverage on the potential of the Internet and let the message stand out from the crowd.
- Only proper and intensive interaction with the audience will deepen the customer's experience.
- The communication should be defined not only for local customers but also for the global audience.
- Even though the communication opportunities are infinite, resources are limited. Therefore, thorough planning should be done before the execution, to make the most of the available resources.

2.3.2. Communication mix – offline execution

The offline execution of communication consists of traditional tools of the marketing mix and still has a significant importance for marketers, despite the rapid growth of the online environment. As it was already mentioned, the mix consists of advertising, sales promotion, PR, personal selling, sponsorships, direct mailing, event marketing and word of mouth. For the purpose of this thesis, the author will elaborate more on sales promotion, sponsorship and event marketing.

The implementation of those instruments has one key aspect in common. The collaboration between the manufacturer and the retailer is essential. Usually, engagement of both is needed

for the execution of these marketing activities as they share costs and have the same or very similar expectations from the cooperation. Therefore, it is very important to build and sustain a relationship. From the practical point of view, the cooperation should have goals, which both parties identify with, clearly defined responsibilities and cost burdens. Trust between partners is also considered a key factor, however it is often the biggest issue and needs time to be built through honesty and by keeping promises (Fiorletta, 2014).

Sales promotion

Sales promotion is a BTL activity of marketing communication and can be defined as a "*set of promotion activities that stimulate and support advertising, personal selling and publicity*" (Shilbury at al, 2003, p. 173). This activity can be further broken down into humanized activities, which are based on personal communication with a customer, and non-humanized activities, which enable communication with a customer through a mediator (Jesenský, 2015). The majority of instruments that are used for personal or mediated communication can be found in Figure 3. As it can be seen from the figure, most of sales promotion is executed at the point of sales or in other words in-store. The Shopper Engagement Study (POPAI & Ipsos, n.d.), which was conducted in 2015, revealed that 87% of all purchases are made on impulse. This fact confirms the importance of sales promotion in generally and particularly in-store communication. In-store communication is the only type of offline communication that enables to interact with customers in real time and thus prepare a customized offer for them and get immediate feedback as well.

Humanized Activities (Personal Communication)	Non-humanized Activities (Mediated Communication)
• Tastings • Presentations • Sampling • Merchandising • Road shows	• Special offers, discounts (leaflets) and coupons • Traditional POP/POS media and means • Digital POP/POS media and means • Loyalty systems • Applications and communication at points of sales into mobile devices of customers • Games and contests • Giveaways and promotional items (3D advertising – on-pack, in-pack, bonus) • Communication through packaging • In-store radio • Aroma-marketing communication

Figure 3: Sales promotion   Source: Jesenský (2015)

The biggest challenge of sales promotion is to estimate its return on investment. The marketer has to take into consideration the costs of sales promotion as well as the effects that promotion has on the customer and therefore on the objectives such as the increase of sales. Those effects are either short-term, which occur immediately during an activity or long term, which influence the customer's behaviour after he/she is exposed to the sales promotion activity. In the short-term perspective, sales promotion may encourage customers to switch his/her interest and purchasing intention in the form of brand, category or store switching. Another short-term effect is bringing new customers to the business or accelerating purchasing activity of current ones. The main long-term effect is creating and mainly enhancing loyalty of customers towards a brand, a specific store or a particular category. It is also important to distinguish between effects that are important for a retailer and those that are important for the manufacturer. For instance, a retailer will mainly welcome the store switching effect, on the other hand brand switches are good for the manufacturer and do not have to play in favour of the retailer (Gedenk at al, 2006).

Measuring short-term effects of sales promotion is very straightforward. Marketers monitor sales changes during a period of time, when the promotion is being applied, and thus can easily evaluate the effects using these figures. It is more difficult to do the same with long-term effects. The biggest challenge is to filter sales changes that were influenced by sales promotion and those that were affected by other ways of communication.

Sponsorship

The role of sponsorship has increased dramatically in last 10 years and it is expected that total expenditures put into sponsorship will reach more than 60 billion USD worldwide in 2017 with current CAGR of 5.3% from 2007 to 2016 (IEG, 2016; Statista, 2016 b). *"Sponsorship is a business relationship between a provider of funds, resources or services and an individual, event or organization which offers in return rights and association that may be used for commercial advantage"* (Sleight, 1989, p. 4). The institution, league, club or event that is sponsored is called a sponsee and it receives funds from a sponsor. There are many benefits that motivate a sponsee to enter the sponsorship. The most common benefits are obtaining funds, increasing awareness, raising credibility or using the resources of the sponsor (e.g. knowledge, communication channels etc.). Even more incentives can be found on the sponsor's side. A company may become a sponsor to increase product awareness or sales. It can target new market segments through sponsoring or increase its reputation within CSR activities (Shilbury at al, 2003).

The first step to enter a sponsorship is to choose the right entity for it. The better fit there is between a sponsor and a sponsee the more successful the cooperation is. When selecting the right partner two conditions should be considered. There should be an overlap of the target market and second, the positioning strategies of both entities should match. Then they can create a so-called sponsorship affinity (see Figure 4) and increase the chance of reaching given targets (Smith, 2008). The creation of this affinity is important, because the customer's opinion about a sponsor will be influenced by his/her feelings about the sponsee and the other way round.
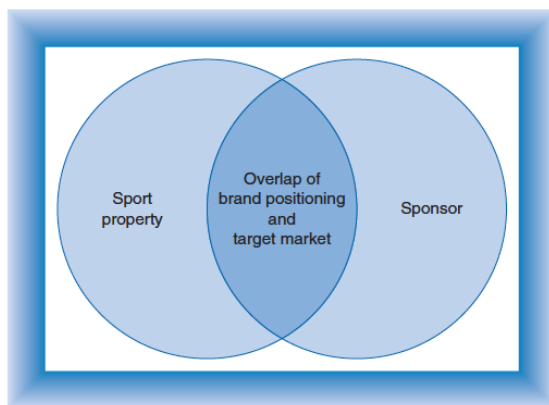

Figure 4: Sponsorship affinity   Source: Smith (p. 200, 2008)

Sponsorship can bring lots of benefits to marketers. It enables them to approach a specific target group and communicate a specific message to them. Second of all, since a customer is usually emotionally attached to a given sport, there is higher probability that he/she will identify also with the sponsor of that sport and that may lead to an increase of the loyalty towards the brand or product. Finally, sponsorship is a way of communication that can make a product stand out of the crowd thanks to its unique linkage to sport in comparison to frequent advertising that encompass a customer every day, everywhere and can even be annoying. Nevertheless, the biggest pitfall of sponsorship is the fact that the sponsor cannot influence the performance of the sponsored club or athlete and if the performance or behavior is poor, it can have negative influence on the sponsor too. Finally, it is complicated to measure the influence of sponsorship on sales (Shilbury at al, 2003).

Jacobs et al (2014) suggest a couple of metrics that should be followed to measure the success rate of sponsorship. Marketers can monitor the cost per reach of sponsorship and add activation costs related to sponsorship. The reach should consist of the number of all people exposed to the sponsorship through all used channels. Then, he/she can track the generated sales per every

penny spent on the sponsorship. To find out the sales figures, the marketer can either use the sales reached in a given period of time and link it to sponsorship influence. Another option is to do a quantitative research among customers to map through which channels they found out about the product they purchased. Last but not least, the contribution of sponsorship to awareness can be measured, since brand strength generates up to 80% of sales (Bauer et al, 2013). The marketer can therefore conduct a qualitative research to find out which sponsorship attempts increase the brand strength and which one do not have any effect or even have a negative effect.

Event Marketing

Event marketing refers to product promotion through an event, which should be attractive for the customer itself and bring him/her additional value. From a marketer's perspective, such an event is supposed to bring leads, increase product awareness or even generate direct sales (Machková et al, 2010). According to Hoyle (2002), to organize a successful marketing event it has to follow the three Es – excitement, entertainment and enterprise. An event should bring excitement to be memorable, it should entertain its visitors and finally people in charge should be innovative and willing to take a risk, or in other words, they should have an entrepreneurial spirit.

Creaswood (2016) also stressed out that at the present, it is more important for the customer how much he/she felt engaged during an event and what experience he/she got from it than the product presentation itself. If customers become a part of the event and they have something they will remember it by, the chance of creating a positive relationship to a product is significantly higher. This effort is naturally very important in sport related industries in which event marketing plays a big role in increasing awareness or in introducing new products on the market.

Same as in the case of sponsorship, it is challenging to measure the influence of this marketing activity on sales. The approach suggested by Catherwood et al (1992) is to focus more on the profitability of the event. The rate of return of a marketing event is calculated by dividing projected profit from the event by the total marketing expenses. However, sales increase or profitability do not have to be the only metrics to be followed. If the event aims to promote an online medium, marketers could set KPIs such as an increase of unique visitors after the event, a number of sign-ins or online purchases, which occurred after the event happened etc.

2.3.3. Communication mix – online execution

Online marketing creates a vital part of the communication mix regardless of the target market or the nature of the business, which the company operates in. Marketers can aim at different goals using the Internet and this will reflect the choice of communication. Chaffey (2008) defines 5 key benefits, which can be achieved through the right selection of online tools. The most basic benefit is the increase of sales leveraging the ease and accessibility of the Internet network to the customers. The Internet helps reaching the target audience, which is larger and can be better targeted online than offline. Furthermore, the Internet can be used to add additional value to the product in the form of online customer service, which can increase customer satisfaction. This is closely related with the possibility of real time interaction between the customer and the company. This opportunity should be leveraged to the fullness as the company can speak directly to the customer, get immediate feedback and enhance the customer experience. Fourthly, if there is no need for a physical store, the resulting lower operating costs can bring significant savings, which can be invested in the new possibilities that the Internet brings.

Search engine marketing (SEM)

The two most frequently used search engines in the Czech Republic, namely Google.cz and Seznam.cz, belong to the top 5 most frequently visited pages in the Czech Republic and represent the first option the customer tries to find a solution to his issue on the Internet (Novotný, 2015). Therefore, proper visibility on search engines is an important factor of online success. Search engine marketing encourages a user to click on a website by improving the website's position in the search engine results page (SERP). Two basic approaches can be followed to enhance the company's position in the search engine results. The first aims at increasing the website visibility in the organic search listing through search engine optimization (SEO) and is free of charge. The second offers paid advertising (SEA), which is displayed above organic results as can be seen in Figure 5 (Chaffey, 2008).
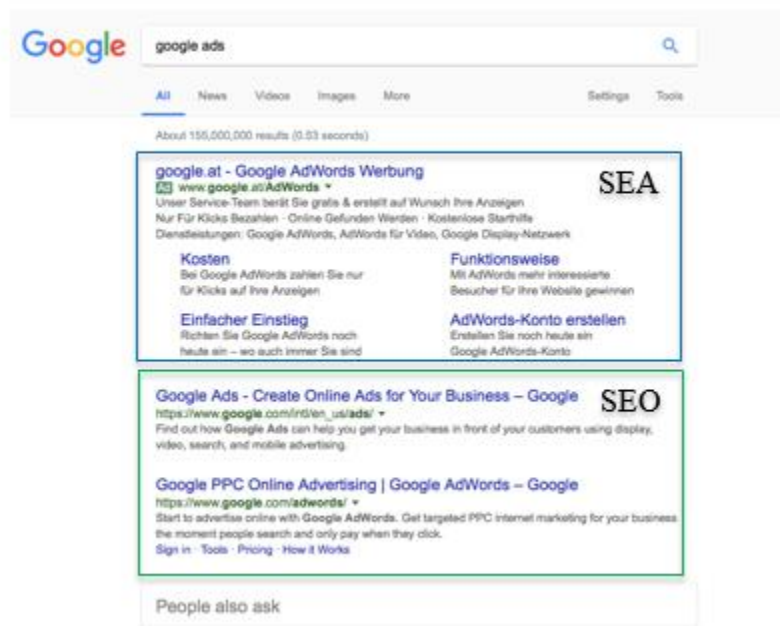
Figure 5: SEA and SEO in Google search engine   Source: Google.com (2017)

Search engine optimization (SEO)

Search engines use algorithms to match websites with a query that a user types in. The algorithms vary between different engines but the core concept of this process is very similar. First, the robots or spiders crawl through the online environment to find content for indexing. Afterwards, the search engine uses the index to define pages with relevant content to the quote that is typed into the search engine by the user. Finally, the search engine rates pages to display the most relevant ones based on given criteria on the top (Chaffey, 2008).

It is obvious that the choice of the content, which is included in a website, plays a key role in SEO. Search engines analyse website titles, text and visual parts of a page such as pictures or videos. Those parts should consist of words that will match with queries, which a user types in. First step is to define what the keywords are by conducting a proper search of words, which users use while looking for relevant or related products. Then, it is important to distinguish those words that have a higher competition due to lower specification and thus higher search volume and the opposites, so-called long tail keywords. "*Long tail keywords refer to the specific queries that include 3, 4 or 5 words or even longer. In general, the longer your long tail keyword is, the easier it is for it to rank high*" (Perzynska, 2016).

Content is the most important criterion but not the only one. Search engines also take into consideration how often the website is updated, the number of references from other websites

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(e.g. blogs), location of the user and so on. Therefore, it is important to learn how search engines work and monitor their changes to be able to set and adjust the SEO respectively (Turner, 2016).

Evaluating the success of SEO by monitoring the position of the website in SERP or the increase of traffic should not be the only criteria. The conversion rate from visitors to buyers or the level of interaction and engagement of visitors should be observed as well to evaluate whether the traffic is relevant or not (Google ČR, s.r.o., 2016).

Search engine advertising (SEA)

Most of the search engines offer paid services that help marketers to get high visibility in SERP. Those services such as Google Ads of Google and Sklik of Seznam.cz are based on an auction principle that combine the price paid for an ad and its relevancy in regards to the query that was put into the search engine. In other words, whether an ad will be displayed in the SERP depends on the offered price and the relevancy of the ad. Therefore, same as in the case of SEO, keywords that are used in the ad play an important role in the success of the SEA. Similarly, the quality of keywords depends on their relevancy in relation to the website offer, how much those words are used by search engine users and finally on the number of competitors that may use the same keywords in their ads. Therefore, the principal of long tail keywords is applicable here same as in the case of SEO (Google ČR, s.r.o., 2016 c). Statistically, a SEA campaign should consist of hundreds of keywords and phrases of 3 or 4 words that have the highest success rate. Finally, it is also crucial to write catchy content in the ad with call-to-action features such as "check out the latest offer" or "find out more" (Král, 2012).

The big advantage of SEA is that the marketer is not paying for an ad when it is launched but at the moment when a search engine visitor clicks on it and is forwarded to the advertised website. The model is called cost/paid per click (CPC/PPC) and not only is it used in search engine marketing but also in marketing using social media as a channel. Certain online platforms offer additional models such cost per acquisition or cost per mile. The former charges the marketer when an ad leads to sales, the latter is charged for every 1000 impressions. Moreover, compared to other marketing tools, such as TV ads, SEM offers good targeting and is supposed to bring high quality of leads. Finally, in contrast to SEO it brings results faster and is not that demanding from a technical point of view (Chaffey, 2008).

Same as in the case of SEO, we can follow more KPIs such as website traffic increase and conversation rate. Moreover, since there are costs connected with SEA it is vital to monitor if

it brings positive return on investment or more precisely return on ad spend (ROAS). This metric is calculated as the difference between revenue generated by SEA and its costs, divided by its costs. Other often used metric can be profit per click or profit per impression and it depends on the marketer, which one is chosen in the end (Mackey, 2012).

E-mail marketing

Although using an electronic mail is one of the older ways of attracting customer's attention and bringing costumers on a website, it still belongs to channels that bring the significantly high ROI. For that reason, personalized e-mails or e-newsletters are included in most online communication strategies (Pay at al, 2016). The main aim of e-mail marketing is to inform the customer about news, changes or recent launches. It is also used as a reminder and main communication tool for the interaction with a customer and thus for relationship building. On the other hand, the line between an e-mail being helpful to a customer and being just another annoying spam is very thin. Moreover, effort must be put into making the e-mail stand out in often cluttered inboxes and draw the costumers' attention (Chaffey, 2008).

To gain a customer, certain steps are recommended to be followed. It is advised that e-mails are sent to recipients, who gave the permission to do it and who know that they are a part of a company's e-mail database (Hangen, 2010). Furthermore, messages should be personalized based on the profile of the customers and their needs. More important than addressing a recipient by his name is the fact that the content of the e-mail can be beneficial for him/her. Moreover, the length of the subject of the email plays a big role in open rate. Research conducted by Adestra suggests that the subject should be rather short (less than 49 characters) for high open rates. On the other hand, longer subjects lead to higher engagement of the costumer clicking through the content (Lee, 2013). Good content is surely important but another thing to be considered is how the content is communicated. Basic rule advices to have a short, straightforward message supported with visualization and clear call-to-action. Finally, based on research of Experian, the best time for sending the message are weekends or time ranges from eight in the evening to midnight during working days (Quarterly Email Benchmark Study, 2012).

Online PR

Public relations is an activity that aims to create or strengthen a positive attitude to a product or to build a good image of a company. All organizations tend to create and to keep good relationships with all their stakeholders (customers, media, government etc.) and PR is one of the ways of achieving this (Smith, 2008). In the online environment, marketers want to maximize "*favourable mentions of products on third party web sites which are likely to be visited by its target audience*" (Chaffey, 2009, p. 511). Moreover, good online PR increases the number of links that refer to the marketer's website and this contributes to better SEO results. The activity of increasing the number of links referring to the final website is called link building and it can be achieve not only in selected PR activities but also via online partnerships and online advertising.

One of the most common channels for PR is mass media, such as newspapers. Since most of them have their online versions, it is the first way of implementing PR in the online environment. Moreover, it offers a direct link to the promoted website and thus it is easily accessible and measureable (Chaffey, 2009). However, Internet brought new ways of PR that must be considered too.

Blogs belong to the frequently used technique of content marketing, which aims to attract target customers by creating valuable and relevant content for them. In other words, it is supposed to bring content that is attractive for the customer and which he/she can benefit from (Steimle, 2014). Marketers can set up company blogs where they can bring content and at the same time promote a product or build brand awareness. Another option is to cooperate with bloggers, who can incorporate promotion to their blogs and thus address the company audience (Duermyer, 2016).

Blogs can be converted into audio recordings in form of podcasts. The main advantage of podcasts is that in comparison to other channels, it allows the listener to carry out other tasks that need to be done and at the same time to listen to the podcast. Moreover, podcast can be listened to while a listener walking with a dog, driving a car or doing jogging any time during a day. Podcasts save a lot of time and bring significant value to the listener in today's world where time is more precious commodity than before (Gray, 2016).

Naturally, the most complex way to attract an audience is turning a blog into video format and creating a vlog. Similarly to the blog, its video version should have interesting content and

should bring additional value for the viewer. A vlog can be created and maintained by the company or the marketer can pay for using a channel of a vlogger and communicate company's products via his/her videos. However, there are disputes over the fact whether vlogs are such powerful marketing tools as they are presented to be. GWI trend survey conducted among 42 000 internet users brought results claiming that only slightly over 10 percent of users found about new products through vlogs and less than 10% of them use vlogs to find out information about products (GWI, 2015).

The online environment offers a wide range of opportunities for marketers but at the same time, they have to face fierce competition and increasing expenses. Well-managed viral marketing can contribute to overcoming those challenges and reach thousands of users, who pass the message on among each other and spread a positive word of mouth organically in the online environment. "*Ideal viral marketing is a clever, funny or highly informative idea, which make compulsive viewing*" (Chaffey, 2009, p. 525). Based on Kirby (2003), three steps need to be taken into consideration to set up a successful viral marketing campaign. The first and core step is to come up with creative ideas in the form of video, text, picture or song. The second is to identify channels, where the message will start spreading. Finally, the marketer should monitor the effects of the viral campaign and evaluate returns on costs devoted to it.

Online partnerships

As it was already mentioned, a partnership can be understood as another P in the communication mix and if it is managed well, it can bring value to all partners engaged. In the online environment, partnerships are created through affiliate marketing, link building and online sponsorship.

Affiliate marketing is a commission based partnership, within which one partner refers to the website of the other partner using a link or a banner and is paid for this service based on pre-agreed conversions. The main advantage of affiliate marketing is that the marketer pays at the moment of action. Which action is taken into consideration depends on the agreement between the two sides. It can be payable only after an acquisition occurs and the marketer then monitors the cost per sale or the cost per acquisition. Other methods are focusing on action when the visitor for example clicks on the link and is transferred to predefined website, creates a profile or subscribes to a newsletter. In the former case, cost per click is monitored, in the latter two cases cost per lead is the watched metric (Chaffey, 2009).

Online sponsorship can be understood as leveraging an offline sponsorship and bringing it into the online environment. The main value of online sponsorship is creating a connection between a product and an online brand that the visitor knows and has positive attitude towards. However, there are also sponsorship opportunities that are available only in the online environment and can bring even bigger value for lower cost to the marketer (Chaffey, 2008). Finally, connecting a product with bloggers or vloggers can be also perceived as a form of online sponsorship.

Social media marketing

Social sites enable Internet users to create personal profiles and share their experience, ideas or opinions with a network of people, who they are connected with. Not only do social networks mediate communication between their users but also between brands, products and other entities that are part of them (Boyd et al, 2010). Almost half of the Czech population owns an account on some social network and it is predicated than in 2021 this number will reach 5.44 million individuals (Statista, 2016 a). Additionally, a Czech user of social sites spends there on average 159 minutes per day. This makes social media a powerful online channel that should not be missing in the online communication mix (Crha, 2016). The company chosen for the thesis has a presence on a certain number of social sites on the Czech market, which the author of the thesis will further elaborate on. These are namely Facebook, Instagram and Snapchat.

Facebook is a dominant leader of social sites on the Czech market as well as worldwide. The social site, established in 2004, had 1.86 billion of users in 2016 out of which there were 4.5 million users in the Czech Republic (Facebook, Inc., 2017 a; Hušková, 2016). From the demographic perspective, the largest group of Facebook users are people between 25-34 years of age followed by young people of the ages from 18 to 24 (Facebook, Inc., 2015).

Facebook advertising is a direct way to take advantage of the Facebook marketing potential. The biggest strength of this form of promotion is accurate targeting based on information that users give away and help define their attributes such as their interests, behaviors or demographics. The marketer can target the core audience directly based on selected attributes, he/she can target a custom audience based on data provided by him/her (e.g. contact list) or target a lookalike audience, which enables to find similar people to those who are already interested (e.g. fans of page). Facebook enables to choose from a variety of forms of ads such as videos, photos or slideshows. As in other online advertising platforms, the marketer can be

charged per click on an ad or per ad impressions (Facebook, Inc., 2017 b; Facebook, Inc., 2017 c).

Every business can also set up a Facebook page, which provides many opportunities to increasing product awareness and interacting customers in real time. Each Facebook page should offer content that is relevant for the target group in form of posts, videos or other form of interactions. Except for an opportunity to inform about new launches, promo events or any other news, the page enables to communicate with customers in real time. If the communication is managed well, it boosts customer engagement and improves overall customer perception. Nevertheless, not managed communication can make a significant damage especially in case of a crisis. Finally, Facebook pages and even their posts can be promoted on the walls of the Facebook users in form of paid service based on the same principal as ads (Facebook, Inc; 2017).

The social network **Instagram**, which offers the possibility for a user to share photos and videos with her or his followers, reached 600 000 monthly active users in the Czech Republic in 2015 with the highest representation at the age category between 18 – 24 years (Podolinský, 2015). Instagram contributes to strengthening the brand awareness, strengthening customer engagement and last but not least presenting new products. Instagram user survey in 2015 revealed that 60% of users discovered new products on the platform, which makes the platform relevant for companies. They can use it for the presentation of their brand personality and the promotion of products to the target audience (Facebook, Inc; 2017 d).

Instagram offers similar options for marketing like Facebook. A company can choose paid ads (video, picture or carousel format) that are displayed as sponsored posts in the user' s feeds along with other posts. Also in this case, it is possible to adjust the targeting of the advertising based on the available information about users. The second option is setting up a business profile, making it attractive for the target audience and turning the target audience into the followers (Facebook, Inc; 2017 d). The essence of the success of the profile on Instagram is the attractive content that is communicated by posting high quality visuals. These promise to gain new followers and build the engagement of current ones (Johnston, 2016). Finally, the marketer can let chosen Instagram users, who have a potential to address the marketer´s target audience, endorse his/her products.

Snapchat enables its users, same as Instagram and Facebook, to share photos and videos with their followers. The difference lies in the fact that the shared material is accessible only for certain period of time, set by the user, and then it disappears. It is quite a young social site, which is penetrating the Czech market as well. In 2016, it was estimated that there was about half a million Czech users on the platform with the highest penetration of 46% within the age group between 15-24 years (Pflanzer, 2016).

The marketer can place an ad in form of vertical video that is exposed to a user full screen for 10 seconds. If the video catches the user´s attention, he/she can swipe the video and see more details about it. According to Snapchat, video ads have two times higher visual attention than other comparable platforms (Snap Inc., 2017). The other two ways to market on Snapchat are using so-called sponsored Geofilters, which enable to enhance snaps with the location, where they were taken, and sponsored lenses, which make Snapchat more playful putting different interactive lenses to the snap and making it more playful (Snap Inc., 2017).

Online display advertising

Display advertising belongs to the oldest and most traditional ways to communicate a message on the Internet. It offers a wide scale of possibilities from plain text to audio or video. Marketers can either make an agreement with the owners of specific websites where the ad will be placed or outsource this task to providers who will arrange the placing of the ad on various websites (Jurášková et al, 2012). The display advertising is appropriate if the marketer wants to increase exposure of the product and its awareness among potential customers. It is also supposed to help drive the traffic to the marketer's website and bring new leads. Finally, it is a useful tool for retargeting techniques, which aim at customers who already visited the target website or who showed interest in relevant products (Chaffey, 2008).

On the other hand, this type of advertising is very questionable regarding its efficiency and value for the marketer. Based on data from Google Rich Media Gallery (Google Inc, 2016), the average click through rate of all used display ad formats in 2015 in the Czech Republic reached a value of 0.08%. In other words, less than one click was generated by over 1000 impressions of an ad. This very low success rate and a significant increase of popularity of ad blocking applications make online display advertising very challenging (PageFair & Adobe, 2014).

The right choice of the ad, creativity of the display and right targeting are important factors in reaching the demanding click through rates with online advertising. Not only can the marketer

choose sites that are directly relevant to the product offer. He can also advertise on sites that do not have any relevancy to the product but their visitors are the target customers who could be interested in the marketer's offer. Moreover, the marketer can target its advertising based on the past behaviour of customers and address people who visited either the product sites or sites that are relevant to the product.

Over time, ad formats developed from traditional banners with parameters of 468x60 pixels to significantly more interactive visualizations such as flash-based ads or rich media ads consisting of animations, videos or audios (Chaffey, 2008). The marketer can choose from different sizes such as leaderboards (745x100 pixels), half banners (234x60 pixels) or skyscraper banners (120x600) (Jurášková et al, 2012). The research of Robinson et al (2007) revealed that the main attributes influencing click through rates of ads are the size of a banner, the length of the message that is placed in, call-to-action engagement, company logo and animation of the ad.

Mobile marketing

The main current trend in online marketing is the steep growth of mobile advertising. In 2016, the investments into mobile advertising grew by 95% and further growth is expected in the following years. Nowadays, customers use their smartphones consciously and smartphones represent the main way they access the Internet (Mediaguru, 2016). Almost 96% of smartphone owners use their devices to look up products online and click trough rate is higher on phones than on computers (Chour, 2012; Miller, 2012). Therefore, marketers should pay high attention to the mobile interface and implement it to their online communication strategies.

The basic requirement to get ahead in the mobile environment is to have a site that is responsive to mobile devices. In other words, the site is able to display properly on mobile phones and offers a user-friendly experience to a visitor. The visitor should easily browse the site, he/she should be able to orientate quickly and the speed of loading should not be too long. Moreover, these are aspects that influence the display of the site in the organic search and thus contribute to good SEO (Google ČR, s.r.o., 2016 b). Marketers can also use various mobile applications of third parties and advertise there. Service providers such as Google or Facebook offer support to marketers to create campaigns that it is possible to integrate into mobile applications as a form of display advertising or pop up banners (Marrs, 2016).

Performance analysis of online communication effort

Whatever the online communication mix consists of, it is vital to track the effectiveness of the chosen tools and how they contribute to set objectives. One of the advantages of the online environment is that it can provide the marketer with very specific and accurate data for this sort of evaluation. Web analytic tools such as Google Analytics or Clicky, which can provide information such as the volume of traffic, the source where traffic comes from or conversion rates in real time with high accuracy, are useful for web analysis and performance evaluation (Chaffey, 2008).

The statistics that those tools provide can be distinguished into three categories. The first of the three, metrics are all the numerical data such as the number of visitors or the duration of time spent on a website. Conversion rates, which measure the activity of the customers, are the second type. These can measure objectives such as the number of customers who were converted from visitors to buyers or the number of new visitors who created their profile on the website. Thirdly, the marketer can be interested in which period of time the website reached the most visitors, which geographical location they were coming from or what device they used for it. In this case, the marketer is interested in the dimensions, which can be combined with both metrics and conversion rates (Google ČR, s.r.o., 2016 a).

The selection of the right metrics for performance evaluation should correspond with the overall objectives of the communication strategy. The metrics are divided based on the customer journey from creating awareness in minds of the customers to the final purchase of the product or service (Chaffey, 2009).

At the beginning, marketers should be interested in why customers visit the site, in other words, what arouses their interest in coming to the site. They should investigate which sites or advertising brought traffic to the marketer's site. This traffic can be generated directly by typing the address of the website into an internet browser, the customers can come from other sites, so-called referral sites, or they can come through active advertising (DeMers, 2014). This will help evaluate the performance of partner sites, display advertising or other online campaigns. Even keywords, which were chosen for search engine in queries and which can be valuable for online communication, can be revealed. Moreover, data provided by web analytic tools will help compare costs of acquisition of customers through different online channels and optimize

online communication. Within this first step, the marketer should focus on the size of the traffic, which comes to the site as well as its quality, which is brought by a channel.

The size of the traffic can be represented by the number of impressions an online activity has, its number of referral sites and finally the number of unique visitors coming to the website. The ratio between the number of impressions and clicks on the ad on the referral site is called click through rate (CTR) and is observed as well.

Criteria for quality evaluation are related to the other parts of the customer journey. The behaviour of the customer examines whether the interaction of the customer on the website leads to the demanded outcome. The metrics to follow are the duration of the page view, number of visitors who are returning to the page and conversion rates. Positive outcomes of the mentioned metrics are related to the customer experience on the website. User friendliness of the website and satisfaction of the customers with the environment could be examined by questionnaires, focus groups or interviews (Chaffey, 2009).

The quality is also evaluated among others by conversion rates, which present the percentage of website visitors who made certain action such as signing-in on the website or making a purchase. Naturally, conversion rates are important metrics to follow, since they measure the success rate of marketing activities, which are supposed to lead to objectives such as the increase in leads or sales (Google ČR, s.r.o., 2016 a).

Finally, the marketer also has to be interested in the financial aspect of his marketing activities and monitor their returns on investments. A return on investment is the division of value gained from a marketing activity divided by its costs. In online marketing, value represents sales, which is generated by customers through online communication and costs represent the money spent on gaining these customers. Cost per acquisition is the most typical cost within the online activities and it depends on cost per click or cost per thousand ad impressions and given conversion rates (DeMers, 2014, Chaffey 2009).

2.4. Budget setting

An appropriate budget should be allocated for the execution of the strategy. Methods of budget allocation are arbitrary allocation, competitive parity and disparity, percentage of sales and objectives and tasks methods (Smith, 2002).

A very common method is to set a budget as a percentage of total sales. The marketers can either set the budget as a percentage of sales, which was achieved in the previous year or which is planned to be reached in the following year. However, the method based on the sales forecasts is preferred since it goes in line with the fact that the marketing budget is planned for the next year as well. What percentage to set may be derived from the market benchmark, previous experience or arbitrary (Smith, 2012; Schimp et al, 2014). Based on the CMO Survey conducted in 2016, average percentage of company revenues in B2C product orientated companies reached a value of 10.2% (The CMO Survey, 2016). One of the limitations of this approach lies in the difficulty to define how much of total sales to allocate and to predict sales accurately. Moreover, critics also argue that the amount invested in communication determines the sales results, whereas using this method implies that the amount invested is determined by sales. Therefore, it is questionable whether to apply the method when sales are declining, when on the contrary it should be considered increasing marketing efforts to stop the drop (Schimp et al, 2014).

Another approach to budget setting is calculating costs of all tasks that are needed to be undertaken to meet the objectives of the strategy and use the total of those costs for budget setting. Research showed that more than 60 percent of B2C companies apply this method for their marketing activities and this method is generally perceived to be the most sensible and reasonable for the marketers (Schimp et al, 2014). Based on Lilien et al (1976), applying this method requires acting according to the following steps.

- The marketer should define key objectives, which he/she expects from the communication strategy. Those objectives can be metrics such as the increase in sales, brand awareness or market share.
- Second, there is need to set communication functions that must be performed to reach defined market objectives.
- As a third step, Lilien et al (1976) suggest determining what the roles of particular tools of the communication mix are in executing given functions. This is important, because it will

reveal the importance of the tools and help define which deserve higher investments and which lower.

- Fourthly, the marketer should establish measurable goals of specific communication tools, which contribute to the overall objectives

- Finally, expenditures, which are needed for reaching given targets, are estimated and added up to reach the final figure.

A marketer can also try to set the budget that is either similar to competition or contrary that significantly differs from competition and thus choose either competitive parity or disparity. If the company has the knowledge of competitors' spending, they may try to invest in marketing even more to outshine the competitor on the market in front of customers or they may use the competitors' expenses as a benchmark for their activities (Schimp et al, 2014). Surely, the marketer has to have necessary knowledge about the competitors to apply this method and to gain that information is not always easy. Moreover, Kotler (2002) argues that the success of marketing campaigns is not based only on money invested but also other factors such as competitors experience, knowledge and other resources.

The least reasonable approach is arbitrary allocation, when a marketer allocates sources subjectively and does not consider the market environment or the business climate (Smith, 2002). Schimp et al (2014) describes the entire opposite of this approach that is the affordability method, which suggests allocation of the financial resources after all other budgeting is done. However, neither of those methods is commonly used because there are not based on any relevant data or reasonable assumptions and thus the other aforementioned approaches are preferred.

The budget is also influenced by the continuity of the communication strategy, because it determines how financial sources are allocated during the execution of the communication strategy. Based on Shimp at al (2014), three alternatives of budget allocation based on continuity can be distinguished – continuous, pulsing and flighting. Continuous schedule counts with equal allocation of the budget during the whole period of the communication strategy, maintaining the reach and intensity on the same level. This approach requires high costs and is more appropriate for corporations, which aim at long-term brand building through activities such as sponsorship or PR (Foret, 2011). Due to high costs and inflexibility of the continuous schedule, marketers prefer pulsing schedule instead. The pulsing schedule keeps the communication strategy running at a certain level the whole time but in chosen periods it is

intensified and logically more money is allocated. Companies frequently use this type of scheduling during their marketing campaigns. Finally, implementing the flighting schedule, expenditures vary during the given time period combining periods with strong peaks and periods with zero allocations. This approach is adapted, if it is possible to define the periods when the marketer can reach maximum exposure of its communication (Shimp et al, 2014).

3. Introduction of the company

Since its foundation in 1924[1], the German company adidas has developed into one of the world leaders in the sport wear industry reaching revenues of 19.3 billion euros in 2016 and being number two worldwide behind the global leader Nike (Lavička, 2017). adidas Group consists of 4 main brands – the core brand adidas, fitness orientated Reebok (acquired in 2006), golf brand TaylorMade (acquired in 1997) and ice hockey brand CCM Hockey (acquired in 2006).

The flagship brand adidas has three sub-brands - adidas Performance, adidas Originals and adidas Neo. All three sub-brands are easily distinguishable by the different segments, which they are targeting, and by their logos (see Figure 6). The traditional trefoil logo represents adidas Originals, which is a product line of sport fashion clothing and shoes and which is designed for fashion enthusiasts referring to adidas classical models. The performance line offers footwear and apparel for sport categories such as football, outdoor, basketball, tennis, volleyball, handball or training and targets all active sportsmen/women from amateurs to global sport professionals. The youngest member of adidas brand family is adidas Neo presenting stylish lifestyle shoes, which are supposed to refresh wardrobes of the young generation of adidas customers, especially of teenagers (adidas Group, 2017 b).

Figure 6: adidas Performance, adidas Originals, adidas Neo   Source: adidas Group (2017)

In 2015, adidas Group adapted three strategy choices, which the Group wants to focus on in the next five years to succeed on the market, which is constantly growing in size and scope and is supposed to keep growing until the year 2020. Those three strategies are Speed, Cities and Open source (adidas Group, 2017 b).

- **Speed:** *We will become the first true fast sports company: Fast in satisfying consumer needs, fast in internal decision-making.*
- **Cities:** *We have identified six key cities in which we want to grow share of mind, share of market and share of trend.*

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[1] In 1924, a founder of the company Adolf Dassler registered the name „Gebrüder Dassler Schuhfabrik" which was replaced by "Adi Dassler adidas Sportschuhfabrik" in 1949 (adidas Group, 2017 a).

- **Open source:** *We will be the first sports brand that invites athletes, consumers and partners to be part of our brands.*

The focus on digital environment and e-commerce business is one of the supplements to those three core strategies. At the present days, two main online adidas Group sales channels www.adidas.com and www.reebok.com are the most profitable adidas points of sales and the company plans to increase direct sales through those e-commerce platforms with the goal to increase revenues fourfold in 2020 (adidas Group, 2017 c). A part of adidas e-shop is a section miadidas, which enables to personalize and to customize selected models based on customer wishes and preferences. Miadidas provides solution for individuals who want to adjust their sport and fashion wear to express themselves and to be unique and original. To address the market of amateur, semi-professional or professional teams with similar features as miadidas has, in 2008 adidas launched another variation of miadidas platform – miTeam (Stoetzel, 2012).

3.1. adidas miTeam / www.miteam.com

Adidas miTeam targets amateur, semi-professional and professional teams and offers a wide choice of sports and product lines to choose from with a lot of possibilities to customize and personalize sport adidas team wear based on the team's wishes and preferences. In March 2017, the platform was available in the USA, Canada, Australia, New Zeeland, Japan and 16 European countries including the Czech Republic. Not only does the product portfolio consist of team wear appropriate for sport activity (match uniform, training uniform, techfit) but it also contains clothing for casual time such as presentation suits or hoodies.

Even though the personalization aspect of adding a team crest, logos of team sponsors, names and numbers of players is currently possible in almost every sport-oriented store, the wide options of customization is what makes the platform special. This feature offers a wide variation of adjustments from choosing the right colour combinations for different parts of clothing to the selection of different graphic bases for clothing. The range of customisation possibilities depends mainly on the type of sport wear that is selected for customization. A basic football uniform will be chosen for the illustration of all the possibilities, which the platform offers.

First, customers can choose whether they prefer long or short sleeves, whether they want to have a plain jersey or they prefer to have graphics such as stripes, hoops or half-half division (see Figure 7). Afterwards, they can select a specific colour of each part of the uniform such as the collar, the upper part of the jersey, graphics or adidas logo. They can also choose whether they want to have adidas stripes or not and if so, what would be their colour. As a final step, customers can choose which type of application they prefer to be used for all the graphics (e.g. sublimation, heat transfer) and the form of personalization features (e.g. font of lettering).
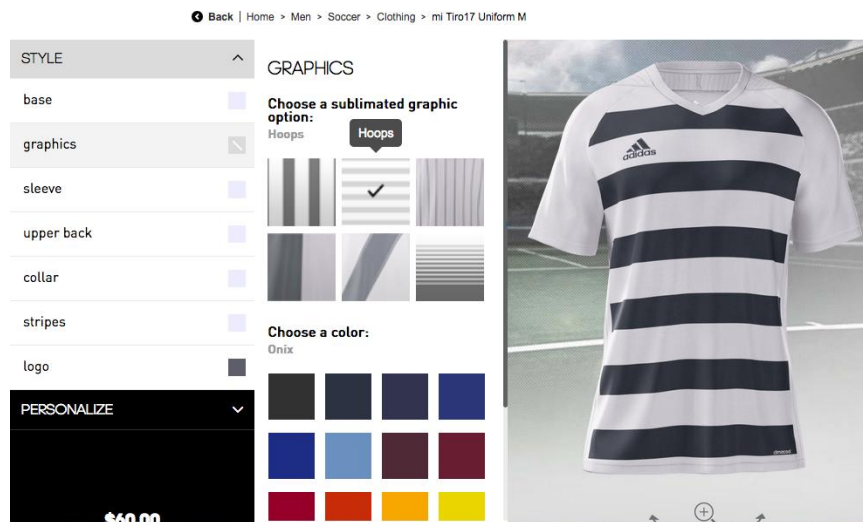

Figure 7: Selection of graphics   Source: miTeam (2017)

When the platform was launched in 2008, it was possible to order and adjust miTeam only with the assistance of a retail partner of adidas[2]. Since 2012, another option has been provided, which is to directly adjust and make an order online on the website www.miTeam.com (Stoetzel, 2012). To make an order, a customer needs to go through the following steps:

- Creation of a user account
- Filtering products he/she is looking for based on either sport, gender or a type of a product (clothing, shoes and accessories).
- After filter is set, the customer can see a list of relevant products from which he/she can start adjusting. Either he/she can start from scratch choosing a blank design or use predefined design ideas as it is showed in the figure below.

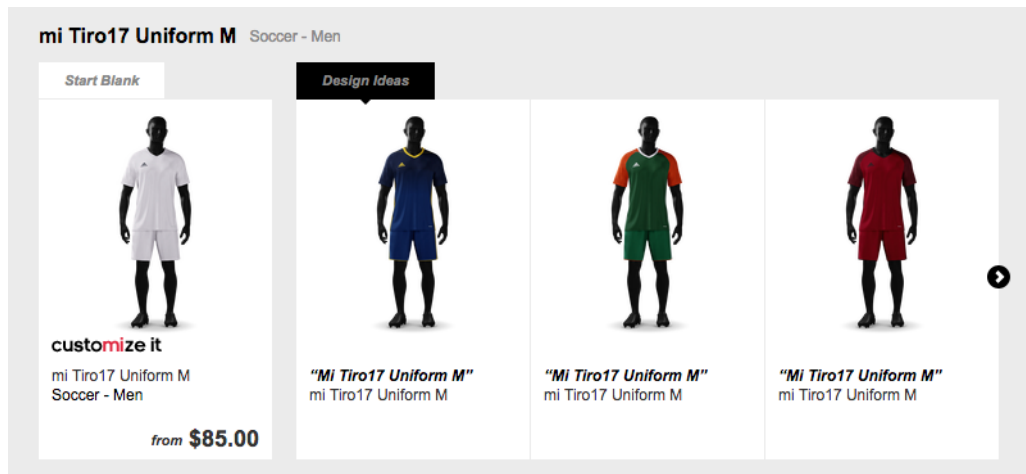[2] Official distributor of adidas products

Figure 8:Blank design or design ideas options   Source: miTeam (2017)

- In the main panel, the customer can modify the chosen product based on his/her wishes and preferences. The platform enables to share suggestions with other team members through e-mail or social sites such as Facebook.

- When the right design is chosen, the customer selects whether he/she wants to make an order directly through adidas or a retail partner. In the former case, the whole price paid goes to adidas. In the latter case, the revenue is divided between adidas and the retail partner based on a certain ratio, which it is not possible to disclose.

- Afterwards, the customer confirms the order and waits approximately three days for an approval from a retailer and adidas side. The approval process investigates whether all updated logos are in the requested formats (pdf or ai) and whether logos are not trademarks of other companies.

- After confirmation, an order is sent to the manufacturing site for production. The whole production and distribution process lasts from 45 days to 100 days depending on the complexity of the order (quantity, type of material etc.) and is managed globally.

In March 2017, MiTeam on the Czech market covered 10 sport disciplines – football, handball, basketball, volleyball, running, tennis, rugby, baseball, american football and the universal category of training. Even though based on the information provided by the company the contribution of the platform to revenues is marginal, current digital trends, adidas global strategy and positive CAGR of the revenues show that the platform has potential, which should not be neglected.

However, most of the revenues are generated in the cooperation with adidas B2B partners, whose customers are professional teams (e.g. FK Mladá Boleslav, Dukla Praha). If any of the professional teams wear the adidas brand, it is likely that most of team wear will be ordered via miTeam platform. The second revenue stream comes from a reaction of retail partners on ad-hoc demand from the B2C market. In other words, if an individual (hereafter: customer) visiting a store of retail partner asks about the possibilities of customized team wear, miTeam will be presented to him/her. Those potential customers are coming from teams playing hobby competitions or lower leagues of official sport associations (e.g. football divisions).

4. Communication strategy for adidas miTeam

Since miTeam is managed globally, it is very difficult for the Czech team in adidas to adjust any other aspect of the marketing mix than communication. The platform (the product) has the same design and functions for all markets. Only product portfolios (e.g. sport categories) and language settings are open to any possible product adjustments based on market differences. In Europe, adidas implies standardized prices, which means that most of the European markets have the same price level of products, therefore it is not possible to set different price policies for different markets. Finally, as already aforementioned, the ordering process is possible through the platform or in assistance with a retail partner. The process, which follows afterwards including manufacturing and logistics, is driven globally and cannot be influenced or changed from the local level. Therefore, the practical part suggests a communication strategy for the platform miTeam on the Czech market following the findings from the theoretical part of the thesis and the situational analysis, which is discussed in the next subchapter.

4.1. Situational analysis

Prior to proposing a communication strategy, the external and internal environment, which mitTeam operates in, has to be analysed. This will help understand the current situation, set key target segments and the main objectives of the strategy. The author chose the 5Cs framework mentioned in the theoretical part of the thesis for the description of the current status quo.

To get insights for the 5Cs analysis, a SWOT analysis and a competitive analysis are carried out first. No analyses have been conducted for the platform before, therefore not only will they be useful for the thesis but also they can provide interesting insights for any other action of the adidas team responsible for the platform. The author of the thesis also approached key stakeholders engaged in the platform – retail partners and potential customers – through surveys to gather information from the market side. For both cases, the author chose a quantitative method to conduct the online surveys. The output of the surveys will be also used for other parts of the overall communication strategy. As a final source, the author of the thesis approached adidas employees responsible for the platform to get additional information and discuss the proposed suggestions.

It is important to mention that the miTeam platform is available on the Czech market for 6 years and it has never been a product in focus. That is why, there has never been a deep situational analysis conducted for the platform before and there is no base the author of the thesis could

build upon. Moreover, right now the Czech team does not have any access to data relevant for the platform itself. Therefore, it is not possible to make any status quo analysis related to website statistics such as the number of unique visitors, what websites visitors come from or any other information, which can be derived from analytical tools such as Google analytics. This fact presents significant limitations for managing the platform on the Czech market as well as for the thesis and should be the first change to be implemented.

The customer survey results

For gathering insights from customers, the author of the thesis conducted an online survey creating a questionnaire consisting of 22 questions (see the attachment) through Google forms. The author approached respondents, who were engaged in any team sport on any level of proficiency. The main goal of the questionnaire was to get a better overview of the target segments, to get insights about customers and their preferences. Moreover, the output of the survey is supposed to help choose the right communication channels for the communication mix and define keywords for SEM. The information gathering was done from the 22nd of March 2017 to 6th of April 2017 being available to respondents 16 days. In the end, 135 respondents filled the questionnaire, from which 126 positively answered the first question, confirming that they play a team sport and thus are relevant for the survey. Only those 126 respondents continued questions, which followed after the first one.

As for the demographic composition, 45% of all relevant respondents were at the age from 15 to 25 and 46% of them represented the group of players older than 25 years and younger than 36 years. These two age groups had the biggest share of players in amateur teams and therefore they should be considered for targeting. Half of the responses came from people who were already employed, while 30% of respondents were students. Finally, 62% of sportsmen/women were coming from Prague followed by citizens of cities with their population higher than 100 000 people. The demographic composition of the survey will help specify the target audience for the communication strategy.
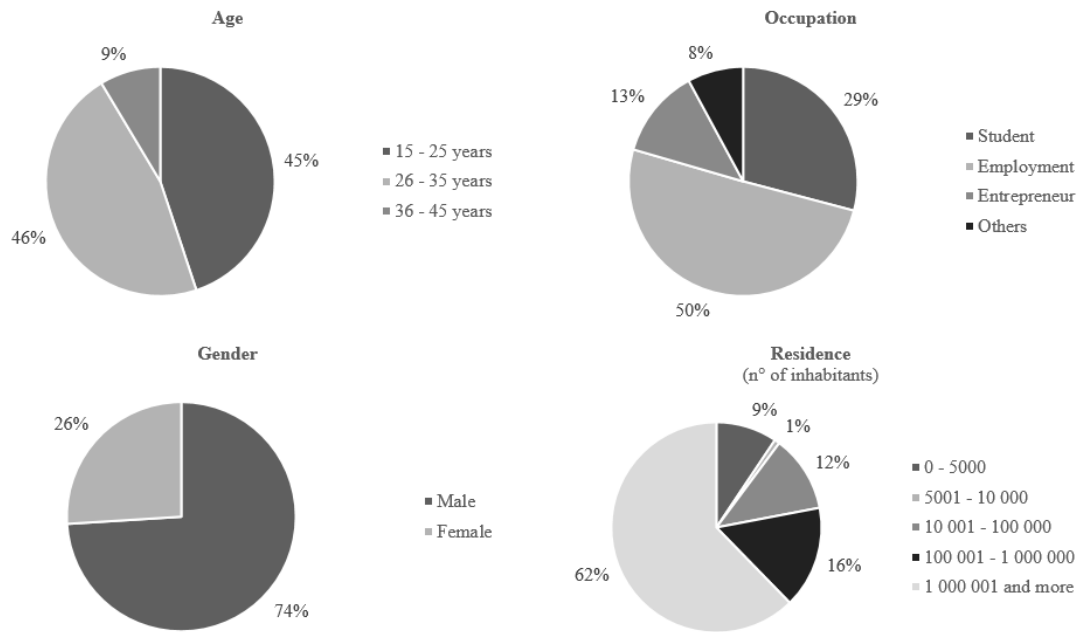
Figure 10: Demographic distributions   Source: Author (2017)

For distribution of the questionnaire, the author used official channels of amateur football and volleyball leagues as well as the network he built himself as an active sportsman. As it can be seen in Figure below, football (50%) and volleyball (27%) represent the two most significant sports in the output of the questionnaire. This high representation corresponds with the fact that those two sports belong to the most popular sports in the Czech Republic with a wide base of amateur players (Sterly, 2012). Surely, this high representation of those two sports will be reflected in the targeting. However, players of other sports such as floorball or tennis also reached a double-digit representation in the survey and so the scale of sports was diverse.
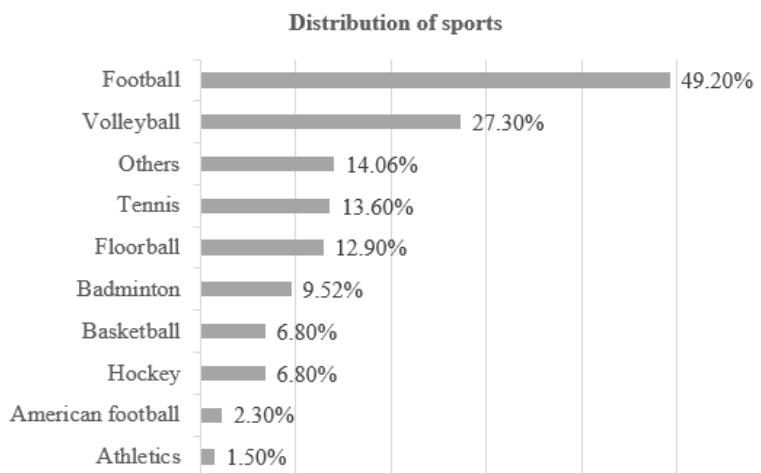

Figure 9: Sport distribution   Source: Author (2017)

The questionnaire also investigated the preferences of potential customers. Respondents were supposed to evaluate the importance of 5 criteria for choices of team wear on the scale from one to five, one being the best. Figure 11 shows that quality of material and price are the most important for the choice of team wear. Based on the survey, the key benefit of miTeam, customization, has significant importance for the respondents as well. For 41% of them, customization was a very important aspect (grade one) for another 33% of respondents it was important (grade two). On the other hand, the brand of the team wear is considered the least important factor among the players and does not play a big role as the previous three aspects. Finally, most of the respondents have a neutral attitude towards the importance of lead-time.

If the customer preferences are broken down to the two biggest age groups, the representation of preferences is very similar, except for price. Price is a very important or important factor for 90% of respondents of the younger group, whereas 60% of players of the other age group share the same opinion about the importance of price, 25% have neutral attitude towards its importance and for 15% price is almost inessential. It can be concluded that for the older group price does not matter as much as for the younger one, since the older group is assumed economically active, whereas the younger group is represented mainly by students.

Figure 11: Customer preferences   Source: Author (2017)
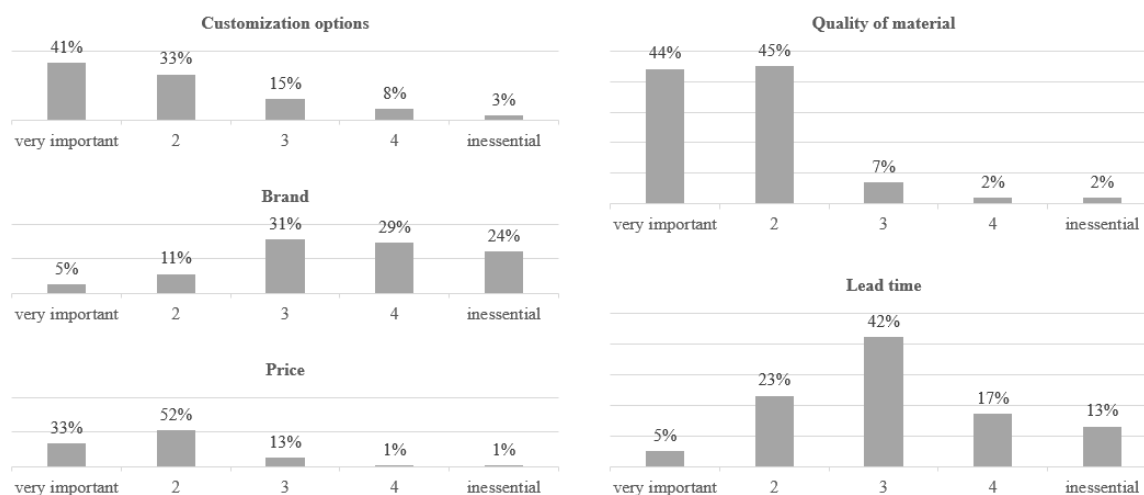
Price was the subject of another question, which asked how much respondents are willing to pay for a high quality, branded (adidas, Nike, Puma etc.) sport uniform with the possibility to fully customize it. Only 3% of respondents would be willing to pay more than 1200 CZK. Less than 1200 CZK but more than 800 CZK would be acceptable for 27% and most of the

respondents (60%) would pay in the range from 400 – 800 CZK. Finally, 10% of surveyed players would not pay more than 400 CZK.

If the main two age groups are examined more deeply, their price preferences are almost the same. The price between 1200 - 800 CZK would be paid by 27% of the respondents between the age of 15 - 25 years and 25% of the respondents at the age from 26 to 35 years. Similarly, the price range of 800 - 400 CZK was considered acceptable by 60% of the younger respondents and 62% of the older ones.

The author was also interested in what kind of league or competition respondents play. Almost 70% of the respondents play amateur leagues, whereas the professional level was represented by 17% and another 13% were players who did not participate in any competition at the time of questioning. The biggest share (45%) of amateur leagues was captured by football competitions, namely Haunspalská liga, Strahovská liga and Jarov liga. Volleyball leagues AVL (Amaterská volejbalová liga) and VASE LIGA created the second biggest group reaching 19%. The rest of the respondents, who marked amateur competitions, mentioned mainly lower leagues of official sport associations such as football divisions. This distribution will be helpful while defining the channels for the execution of the communication strategy and choosing new sponsorships.
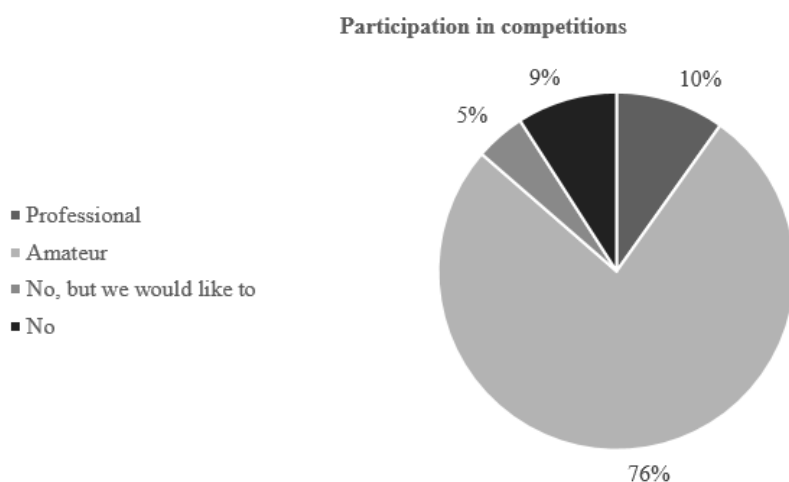

Figure 12: Participation in competitions   Source: Author (2017)

Seventy-two percent of all respondents already have team wear for their teams. The answers to the question, where they bought their apparel, were very diverse and it was not possible to define a retailer or a brand, which would dominate. Sportobchod.cz and sportfotbal.cz were the

only two retailers who were mentioned more than 10 times. Good price or discount was mentioned by one third of respondents as the main argument for purchasing team wear.

The author also asked a question to get insights on keywords, which are very important and relevant for online marketing activities. Answers to the open question "Which words or phrases a customer would use while searching for team sport wear on the Internet" will be valuable for SEM and advertising on social sites. "Uniforms" was the most frequently mentioned word creating various phrases with words such as "team", "customized", "producer" or "sport category". Moreover, the fact that 99% of respondents spend the most time on Facebook, 29% of them also use Instagram and only 1.6% of the respondents use Snapchat give a very clear insight which social sites to choose for online communication.

Usage of social sites

Facebook	99.20%
Instagram	28.30%
Linkedin	18.10%
Twitter	7.10%
Snapchat	1.60%
Other	0.80%
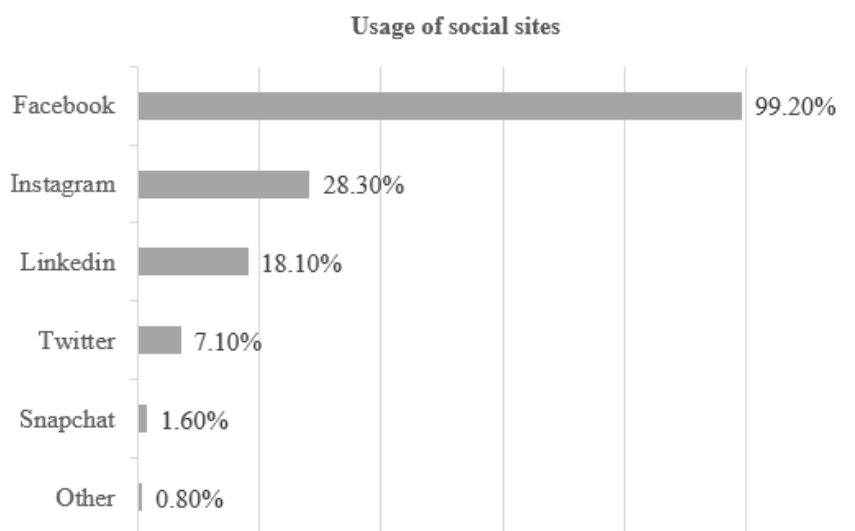
Figure 13: Usage of social sites   Source: Author (2017)

For offline marketing it is valuable to know that 70% of players visit big sport retail chains, 22% visit specialized stores and 8% only use Internet for shopping. Sportisimo and A3 sport retail chains were mentioned the most frequently as favourite stores. The former was mentioned 25 times, the latter 19 times. This fact reflects their dominant position on the Czech market. Decathlon, Top4fotbal and Sportobchod.cz were other stores mentioned more than 10 times in the questionnaire. Finally, most of the respondents use Internet (94%) to get information about their favourite sports, 40% use TV and less than 15% of respondents buy sport magazines and newspapers.

Last but not least, a very valuable figure is the portion of people who know the miTeam platform. Out of all 126 relevant responses, only 3 people have ever heard about the platform. This information reflects the fact that the platform has not been promoted and it is obvious, that one of the main goals of the communication strategy should be to increase the product awareness.

The survey among retail partners results

The author was also interested in feedback from the perspective of retail partners. In cooperation with adidas representatives, five key partners were defined to be approached with an online questionnaire consisting of closed and open questions (see the attachment). The questionnaire was created on the website SurveyMonkey, which enables to create this kind of surveys. Two of those five partners are sport specialists focusing only on the football category, whereas the remaining three partners have all sports that are available on miTeam in their portfolios. At the same time, all approached partners operate on both B2B and B2C markets. The main goal of this survey was to get feedback on the platform and on the services related to it.

All partners agreed on the main benefit, which the platform brings to their customers. They see the biggest strength in the customization options, which enable customers to create a unique and original team wear. Moreover, three of them also appreciate that colour pallet, which customers can choose from, since it is richer than the colours of the standardized products of adidas. On the other hand, they would like to see a wider product offer mainly within the category of accessories, where they miss team bags, guard stays, hats and balls. One customer would also welcome cheaper variations of match and training uniforms. Overall, customers are satisfied with service adidas provides regarding miTeam, evaluating it with an average grade of 1.4 on the scale from one to five, one being the best.

For four partners, more than 90% of adidas business is done on a B2B level meaning that their customers are semi-professional or professional teams. Only one partner estimates that the contribution of individuals or hobby teams to miTeam business is about 40%. These findings also correspond with the low product awareness coming from the survey aforementioned, information provided by adidas and the fact that the platform has not been actively promoted to the B2C market. In addition, three partners do not communicate the platform to the customers at all and just react to the demand, which comes from customers. The remaining two partners

encourage their sales representative to actively approach customers and present them with the miTeam option, mainly on a B2B level. They also use their e-mail network, social sites (mainly Facebook) and their websites to advertise the platform, however, rather rarely. These findings show that the activity of informing partners about the platform and its benefits makes sense and should be continued or even intensified. For example, partners should be informed about updates, there should be workshops organized for partners more often etc.

Finally, partners were supposed to rank the sport categories, which are available on the platform from the most demanded to the least ones. As it can be seen in Figure 14, based on frequency of rankings of each category made by each partner the weighted average was calculated to get a final score[3]. It is not a surprise that very popular Czech sport, football, dominates the ranking having the score of 7.0 and being the most demanded among all five partners. The second most demanded sport is training having the score of 4.8 and being on the second rank three times. The main reason of training popularity is its universality, which can to a certain extent work as substitute to any other sport. The third place is occupied by handball having the score of 4.6 and being just after training. The least demanded category is tennis, which is logical given the fact, that tennis is a rather individual sport and thus does not create that many possibilities for the usage of the platform as other sports.

Sport category	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Score
Football	5 x	0	0	0	0	0	0	7.0
Training	0	3 x	1 x	0	0	0	1 x	4.8
Handball	0	1 x	2 x	1 x	1 x	0	0	4.6
Rugby	0	1 x	1 x	1 x	1 x	0	1 x	3.8
Volleyball	0	0	1 x	1 x	1 x	1 x	1 x	3.0
Basketball	0	0	0	1 x	2 x	1 x	1 x	2.6
Tennis	0	0	0	1 x	0	3 x	1 x	2.2

Figure 14: The most demanded category   Source: Author (2017)

The survey among retail partners brought useful feedback for the Czech team and the thesis. However, given the low number of respondents and goals of survey the phone interviews should have been preferred to the online questionnaire. The chosen method brought limitations mainly within open questions, which did not allow elaborating more on the answers. The author chose this way due to time limitations of the partners considering this type as the most efficient and

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[3] E.g. Football was 7 times first (score 5) => (5x7)/5=7; tennis: (1x4+3x2+1x1)/5=2.2

the most comfortable to them. To overcome this drawback, the author of the thesis approached an adidas representative responsible for the platform on the Czech market to get his insights to complement the output of the survey among retail partners.

Competition analysis

As explained in the theoretical part, three types of competitors can be recognized: immediate competitors, secondary competitors and indirect competitors. Given the nature of the product, immediate competitors are those who offer an opportunity to create customized and personalized clothing for sport teams. Secondary competitors offer standardized sport wear products with the possibility of personalization (adding logos, player names and numbers). Under the assumption that a basic need of customers is to provide their teams with team wear, it is not possible to identify any indirect competitors given the theoretical description.

The biggest adidas competitor on the Czech market, Nike, has NikeiD customization, launched already in 1984. This is a competitor to miadidas offering the customization of shoes for individuals (Moser, 2006). The second platform of Nike is Niketeam[4], which works on the same base as miTeam, and thus it is its primary competitor. Also other big sport apparel producers New Balance[5], Asics[6] and Under Armour[7] have platforms with similar options as miTeam. However, none of them has a version available for the Czech market and given the strength of those players on the Czech market, only Niketeam was chosen for the purpose of benchmarking in this thesis. Another adidas competitor Puma mentions on their official website that they do not have any customization options and only limited options of personalization (Puma, 2017).

The online environment consists of many companies that enable to customize team wear for customers and they are immediate competitors to miTeam. Either the customer can customize on an online platform same as in the case of miTeam or customization is done in cooperation with sales representatives either via e-mail, a personal meeting or by a telephone call. In the case of cooperation with a sales representative, the customer describes his/her idea and the company prepares a design proposal based on it. As aforementioned, there has not been any analysis done for miTeam and the author does not have any base for defining the right primary competitors. Moreover, no information on market shares of either of those competitors was

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[4] www.niketeam.com
[5] www.newbalanceteam.com
[6] www.teamsublimation.asicsamerica.com
[7] www.underarmourteamsports.co.uk

available. Therefore, for benchmarking the author chose companies that appear at the top of the organic search result page for specific keywords gained from the customer survey and which offer possibility of online customization options. He complements this list with one provider, which was at the top of the search as well and offers customization through the cooperation with sales representatives. To provide the overview, the author chose the following primary competitors for the benchmarking:

- Nike (Niketeam)
- DDsport[8]
- Vyrobadresu.cz[9]
- GD sportswear[10]
- Jersey53[11]

Secondary competitors are all producers offering standard sport clothing of any brand with the option of personalization either online or through a retail partner. This was the most common way of acquiring team wear of respondents of the customer survey. The sport stores of all sizes, with variable qualities and wide price ranges, offer this opportunity. However, it is not possible to customize team wear with those competitors and each customer has to choose from standard predefined designs.

As criteria for benchmarking, the author chose the following[12]:

- technology used for apparel
- customization and personalization options
- price
- product range
- marketing activities

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[8] www.ddsport.cz
[9] www.vyrobadresu.cz
[10] www.gdsportwear.cz
[11] www.Jersey53.cz
[12] Data collection was conducted in April and May 2017

Technology used for apparel

Adidas and Nike offer products of high quality, which can be justified by their long term leading positions in sport wear business, their innovative effort and also by their ranking in the most reputable companies in the world in 2016 being in top 15, which was build based on the feedback of customers (Forbes, 2016). Both brands intensively innovate their products to provide their athletes with comfort, to enhance their performance and to get a step further than their competitors. Their technologies make their apparel fully functional, they are light, cool down the body, take moisture away from it and do not limit sportsmen/women in any movements they make. To do an objective evaluation of the material quality of other competitors would be beyond the scope of the thesis. Therefore, the author focused on technologies, which are used by selected competitors and which are supposed to enhance the performance of the customer. Výrobadresu.cz, DDsport and GD sportswear have several functional materials (6, 10 and 4 materials respectively) to choose from while making an order. They all offer a very clear description of those materials. Their characteristics and benefits cover all basic needs of customers. Moreover, DDsport is the only competitor, which has references from its customers on the website. This helps increase its credibility. Finally, Jersey53 have the largest choice of technologies, 26 to be precise, but do not introduce their characteristics, therefore it is not clear which benefits they have.

Customization

Customization is the key strength of miTeam platform and in comparison to its competitors, it offers the biggest scale of possibilities. The customer can choose from a large colour set and various graphics. He/she has the most options regarding setting different colours for different parts of chosen clothing (e.g. sleeves, collar, shoulder area, sides etc.) based on his/her wishes. Moreover, similarly he/she has the most options as to where to place the team logo, the name of player or his/her number. Niketeam, same as miTeam, has also lots of colours to choose from. However, it does not have that many graphical variations and neither can the customer change as many parts of clothing as with miTeam. Vyrobadresu.cz is the only competitor, which enables direct customization. A customer selects a product and then he can choose colour combinations based on his/her wishes, a type of collar, a type of font used for texts as well as up to 8 different spots where to put logo/s. On the other hand, this customization is possible only within football and ice hockey categories. GD sportswear and DDsport do not allow direct customization but the customer can select from a wide choice of predefined templates and then

he/she can choose a type of collar and a cut of the apparel. Those two companies do not allow choosing the place for logos or texts online. However, this step is done expos in cooperation with a company representative. Jersey53 is representing a group of companies that do not enable to do customization online. A customer needs to choose one of the templates and connect with company representatives to discuss the options of customization. In case of GD sportswear, DDsport and Jersey53, it is not necessary to follow templates and it is possible to go beyond given templates. However, it is more time demanding, the customer creates the uniform in cooperation with the company and it is not as intuitive and autonomic as miTeam or Niketeam.

Price

As a sample for price benchmarking, the author selected the football uniform (consisting of a shirt and a pair of shorts) with basic customization and personalization (player name, number and team logo) for 10 male players. To include Niketeam, the author used price of the selected uniform for the US market and compared it with miTeam offer on the US market to get an estimated price level for the Czech market. Jersey53 is not included because it does not have available prices on the website and provides customers with the price only after they create a design proposal. Not having at least guide prices included may discourage the customer from using the services of Jersey53. The lack of price transparency may cause the customer not to be willing to make an extra step to get at least a price overview. Anyway, it is assumed that price would reach a similar level as the prices of other Czech competitors. Figure 15 reveals that chosen uniforms ordered through miTeam and Niketeam are significantly more expensive than those of other competitors.
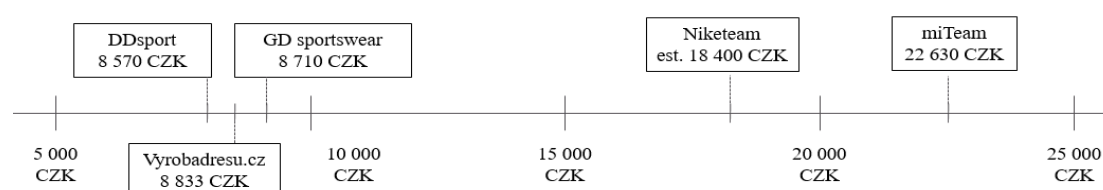
Figure 15: Price benchmarking   Source: Author (2017)

The main reasons for this enormous difference are the following. First, miTeam does not allow getting volume discounts, whereas other competitors have discounts based on quantity in between 10% to 25%. Second as stated in the previous paragraph, miTeam has the biggest variety of customization options available online, and as a result, adidas cannot fully leverage economies of scale. Thirdly, Czech companies are able to be very flexible with pricing and can

adjust it to the market, whereas it is more difficult with miTeam since its pricing is managed globally. Finally, Czech competitors use unbranded products, whereas brand value is reflected in the price of miTeam products. However, it is the biggest competitive disadvantage of miTeam platform on the Czech market given price importance for final customers and should be addressed.

Product range

As for product range, the choice of sport categories and product lines were observed. The author took into consideration only those sports that adidas offers a product for[13]. Nike covers 11 sports offering about 200 items, which it is possible to customize. However, it is obvious that the sport selection reflects the US market having for instance lacrosse or softball there, two very popular sports in the US but rare in the Czech Republic. Therefore, it is expected that if they launch the platform on the Czech market, portfolio would be different. DDsport has a selection of 11 relevant sports and offers complex solutions (sport wear, team wear for representation etc.) for each of them. Vyrobadresu.cz and GD sportswear have only 6 sports in their offers and product lines that are also limited compared to previous two competitors. Finally, Jersey53 have a wide offer of 14 sports and complex product lines consisting of uniforms, presentation suits, bags and accessories. miTeam has a portfolio of 10 sports with overall 98 items available for Czech customers and 134 for US customers, which is less than Niketeam offer in the US and very similar to the other chosen competitors. A relevant sport that is missing in miTeam offer compared to Czech competitors is ice hockey.

Marketing activities

To evaluate online marketing activities, the author mapped the activity of competitors on social sites, their SEO positioning and online advertising. Niketeam is excluded, because the platform is not present on the Czech market. The most active on social sites are DDsport with its Facebook profile consisting of 5817 fans and Výrobadresu.cz with a fan base coming to 2442 of Facebook users. Moreover, DDsport has an account on Instagram with 171 followers. Both companies are active on social sites posting success stories, sharing experience of satisfied customers and interacting with customers. The remaining two players on the Czech market Jersey53 and GD sportswear have accounts on Facebook but their activity is very low, in case of GD sportswear there is none. adidas has a Czech Instagram account with 7438 followers and

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[13] Sports such as cycling or bowling were not considered.

a Snapchat account. There is not a separate Czech Facebook account, only a global one that can be used for so-called dark posts, targeting only Czech market but not being displayed on the fan page[14].

As already mentioned, adidas CR has not done any activity for promoting miTeam online. Therefore, the author monitored the online performance of miTeam competitors. The author used a website grader tool[15] powered by HubSpot, Inc. to evaluate the performance of websites and their responsiveness to mobile devices. Only DDsport and Jersey53 have websites that are adjustable to various mobile devices. The others, same as miTeam, are not optimized for smart phones or tablets and do not reflect the current trend of growing traffic coming from those devices. As for the overall performance, the website grader compares the size of the page, page speed and page requests. The higher overall grade the platform is given the better performance it reaches. The best performer was GD sportswear, which reached 24 points out of 30. Vyrobadresu.cz got 22 points right behind Jersey53 with 15 points. DDsport achieved a significantly lower grade with 12 points.

As for SEO, the author used an online tool SEMrush[16] to see how many backlinks the competitors have and what the ratio between paid and organic search is. This will give a clue about their marketing efforts. As you can see in Figure 16, DDsport and Vyrobadresu.cz generated the highest traffic from organic search and reached the highest backlinks. On the other hand, only GD sportswear used paid advertising during the current year. Since the figures from SEMrush are in hundreds or in units of thousands, which is significantly lower than results of some of adidas retail collaborates (e.g. Top4football with organic search traffic of 12 700), it can be concluded that the chosen competitors focus mainly on those customers, who type long-tail keywords within their SEM activities. This would explain why they are displayed on top positions in the SERP. Moreover, it is worth adding that after competitive analysis and SEO analysis, Jersey53 and GD sportswear were the competitors, whose display advertising was constantly popping up on the author's Facebook wall and on various Internet pages. Based on that fact, it can be claimed that at least those two also use display advertising and retargeting campaigns for promotion of their platforms.

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[14] All data was retrieved in April 2017
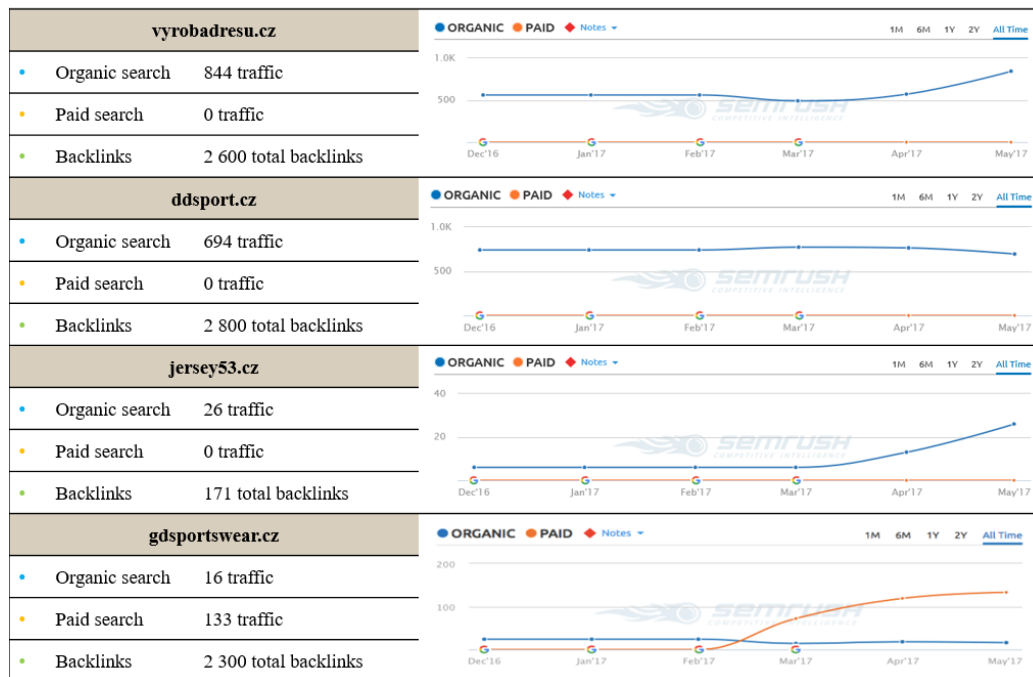[15] www.website.grader.com
[16] www.semrush.com

Figure 16: SEMrush output May 2017   Source: SEMrush (2017)

To summarize and provide a quantified overview of benchmarking, the author used a method mentioned in theoretical part (see subchapter 1.1) and rated the chosen aspects on the scale from one to five, five being the best. It is obvious that the price difference will play a big role in the decision making process of customers and can work against miTeam. Furthermore, adidas gets behind with online marketing activities. On the other hand, it offers wide options of customization and a high quality of material. These facts should be addressed in the communication strategy.

Company	Online customization	Quality of material	Price	Online marketing	Product range	Av. grade
adidas	5	5	1	1	5	3.4
Nike	4	5	1	n/a	5	3
GD sportswear	2	4	5	3	3	3.4
DDsport	2	4	5	3	4	3.6
Jersey53	1	3	5	4	4	3.4
Vyrobadresu.cz	3	4	5	3	3	3.6

Table 4: Competition analysis overview   Source: Author (2017)

SWOT analysis

Using the findings of the theoretical part, the output of the customer surveys and the competition analysis, it is possible to build a SWOT analysis for the platform as it is presented in Table 5 below.

Strengths	Weaknesses
• A wide network of retail partners	• High price level
• Strong brand behind the platform	• Inflexibility to do any changes on the local level
• A wide range of customization options	
• High quality of products	• No access to any web analytics
• Product awareness among B2B partners	• Low product awareness among final customers
• A wide product portfolio	• No online promotion activities so far
Opportunities	Threats
• Online marketing (SEM, social sites advertising)	• Customer preferences (focus on price as one of the top key purchasing criteria)
• Cooperation with professional sport clubs	• Significantly lower prices of competitors
• Cooperation with retail partners on promotion activities	• Cheaper solutions without customization
• Segment of amateur sport enthusiasts	• Launch of a similar platform by big competitors (e.g. Nike, Puma)
• Sport categories not covered (e.g. american football, floorball)	

Table 5: SWOT analysis   Source: Author (2017)

Adidas belongs to the most reputable companies in the world (Forbes, 2016) and along with Nike represent the strongest sport brands in the sport industry. This gives the platform high credibility, which comes with a guarantee of high quality products. Moreover, a wide choice of customization options represents another strong point of differentiation for both professional teams and players in hobby teams, who, based on customer survey, put a high weight on customization. Finally, adidas has a wide network of B2B partners, who have a good overview of platform, they have good experience with it and so far have generated most revenues using miTeam platform.

The most significant weakness is the inaccessibility of any website statistics to the Czech adidas team, which are vital for managing any e-commerce and it presents a strong limitation for the Czech team. Moreover, any changes related to the platform, such as adding a new sport category or correcting any bugs on the website, are managed on a regional or global level. This slows down their implementation and any other innovations that come from the customers through

local adidas representatives. Global production and logistics also cause delays in delivery, which lead to deterioration of the position of the platform among customers. Finally, low product awareness among players of amateur teams means low demand from this group of potential customers. At the same time, a high price may be an obstacle to attract them.

As it was already mentioned, miTeam has not been promoted at all and since it is an online platform, opportunity of leveraging online marketing tools such SEM or social media is very clear. Moreover, adidas should take advantage of its wide network of retail partners all over the Czech Republic to get access to potential customers, and thus present the platform to them. In the same manner, adidas can use professional teams who wear adidas brand for promotion of the platform to their fans, who can belong to potential customers. Finally, sport enthusiasts playing hobby leagues or competitions with their teams present an untouched segment of customers that should be targeted, since adidas partners are covering the B2B market.

As the customer survey showed, along with customization, the customers' purchasing decision is influenced by price, which is significantly higher in case of adidas products. This may deter customers from purchasing miTeam products and make them choose one of the cheaper options. Moreover, customers may decide to go without customization to pay a lower price choosing standard apparel. Finally, big players such as Nike or Puma can launch a similar platform that would present strong competition not only among final customers but also among B2B partners.

5Cs framework

As the last part of the situational analysis, the author summarises all findings using the 5Cs framework, which should give an overall picture of the status quo. The main goal of the thesis is to propose a communication strategy, therefore the 5Cs are analysed from this perspective. For instance, macroeconomic and microeconomic environment analyses are not included, since they do not have a significant effect on the strategy.

Company: adidas represents one of strongest brand in the sport industry having a long and rich history. It gives the platform a sign of quality and credibility. Moreover, its global aspect offers a large network of 21 countries with miTeam, which could be leveraged to good case practises sharing. The company also has a strong network of retail partners and a good position for settling new partnerships and sponsorships. On the other hand, managing the platform from the

global level brings slower processes, difficulties to implement innovations or any other changes coming from markets.

Customer: Customers can be divided into two main segments - professional clubs and individuals playing hobby competitions. Professional clubs cooperate with adidas through intermediaries (B2B partners) and so far, they have been the main contributors to miTeam business. The second segment, made up of individuals, represents an untouched field as the survey showed and should be the core segment to be aimed at within the communication strategy. A more specific division of these segments and its characteristics can be found in the subchapter 4.2.

Competition: As the competition analysis revealed, big market players such as Nike, have similar solutions for teams as adidas does. Although they do not have versions for the Czech market, it may change in the future and present a threat for adidas. There are small Czech companies offering a solution similar to miTeam. Generally, they do not offer as many options of customization as miTeam but since it is their main business activity, they can put a higher effort into their communication and sales activities. Moreover, their solutions are available at significantly lower prices. This presents a threat for miTeam, creates a significant point of differentiation and should be considered. Moreover, there are a large number of secondary competitors, which do not have an option of customization but satisfy customer needs through offering standardized products for sport teams.

Collaborates: There are six B2B partners who have access to miTeam platform[17] and they can be found in the retail list at the end of the ordering process on the miTeam platform. As the customer survey showed, the partners are satisfied with the existing cooperation and see the additional value in the platform. It is important to build on those relationships through good account management and build upon them for better promotion of the platform. However, the overall portfolio of all adidas partners is much larger than those 6 retailers and it should be re-evaluated whether to add some other partners to the current list to broaden the current communication and sales channels. Adding other relevant retail partners to the current list would increase the reach of the platform and at the same time convert some secondary competitors to collaborators. It is worth considering whether also to engage at least one of the

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[17] In April 2017

big retail chains (Sportisimo, A3 Sport). Sport clubs can also be considered as collaborators as they present interesting communication channels and should be used in the strategy as well.

Climate: Online marketing and especially mobile marketing are crucial for any e-commerce business and miTeam is not an exception. The platform should be optimized for search engines and be responsive to mobile devices. Usage of smart phones is one of the main current trends and thus responsiveness of the platform is crucial. Moreover, popularity of amateur leagues such Haunspalská liga (football) or Amatérská Volejbalová loga (volleyball) represent interesting opportunities for miTeam penetration. For instance, the three most frequently mentioned football leagues in the customer survey have all together 918 teams (Haunspalská liga with 720 teams, Strahovská liga with 161 and Jarov liga with 37)[18]. If the team needs 6 players to be eligible to play, it comes to minimum number of 5 508 players participating in those leagues being target customers. The fact that based on the author research, there are similar competitions in most of big cities, lower divisions of official sport associates and hobby leagues of other sports such as volleyball, floorball or rugby bring thousands of potential customers of miTeam in the Czech Republic. Finally, given the positive economic growth adidas retail partners are supposed to be open to new business opportunities, which miTeam definitely presents (Kučera, 2017).

Additionally, based on the output of the survey the author recommends enlarging the current sport portfolio adding floorball, which is a sport whose popularity growing in the Czech Republic and which had also a significant representation in the customer survey (Vostrá, 2016). In addition, it is recommended to add new products to the product group of accessories that is very narrow, currently consisting of only 3 items. This group could be enriched by bags, hats etc.

4.2. Segmentation, Targeting and Positioning

As mentioned in the final part of the situational analysis two big groups of customers can be defined – semi/professional clubs and individuals playing hobby competitions. The two main differences lie in the key decision makers and financial resources. In the case of professional or semi-professional clubs, the decision of which brand to buy and which service to choose is made on the management level of the club in cooperation with a B2B partner. Moreover, clubs have usually better financial resources than the other group and buy complex solutions from

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[18] Retrieved from official sites of given leagues in April 2017

the partner (e.g. home and away kits, presentation suits, training wear, balls etc.). Amateur clubs dispose of lower resources and decisions are made by players of those clubs or in some cases by their leaders. Given the fact that the network of the B2B partners is well managed, the author will elaborate on the other of those two big segments.

The group of amateur players can be distributed to sub-segments based on which sport they do or which sports they are interested in. The author suggests targeting football and volleyball segments. First of all, these sports had significant representation in the customer survey. Second of all, there are established amateur leagues in these sports with a large players base (more than 1 000 players) and third of all, they belong to the most popular sports in the Czech Republic with a wide base of amateur players (Sterly, 2012). Sports such as badminton or tennis are not that relevant since they are rather individual and do not have as big usage of miTeam as others.

The author also recommends narrowing down the target audience focusing on players at the age of 26 to 35 years old. As the survey showed, the age distribution of players playing leagues, which had significant representation in the survey, are divided mainly between this age group and the age group of players from 15 to 25 years old. The chosen target group finds the price less important that it is for the other younger age group. Moreover, if players willing to pay a higher price are attracted by the offer, they might influence other members of the team, who might hesitate.

The representative of the target audience is a man around his thirties, living in a city with population higher than 100 000 inhabitants and being economically active. He plays football or volleyball as a hobby, is passionate about sport and together with his friends is therefore a member of an amateur league. The author suggests implying undifferentiated targeting approach conveying the same message to chosen sport segments, having the same communication mix and adjusting only specific channels for the communication.

According to Chaffrey (2009, see page 10), the company should use its strengths to exploit opportunities, reduce weaknesses or mitigate threats. As it was found out in the analysis, the biggest strength of miTeam lies in almost unlimited options of customization, which give the team an ultimate feeling of uniqueness. This position is also clear from the positioning map showing the relationship between the price and customization possibilities as it can be seen in Figure 17. This fact along with top quality guaranteed by the strong brand of adidas should be

the main appeals to the customers and should be the reasons justifying the higher price. Therefore, the positioning statement will be as follows:

"MiTeam will give you a unique opportunity to dress your team with a fully customized top quality adidas apparel and will enable your team to stand out."
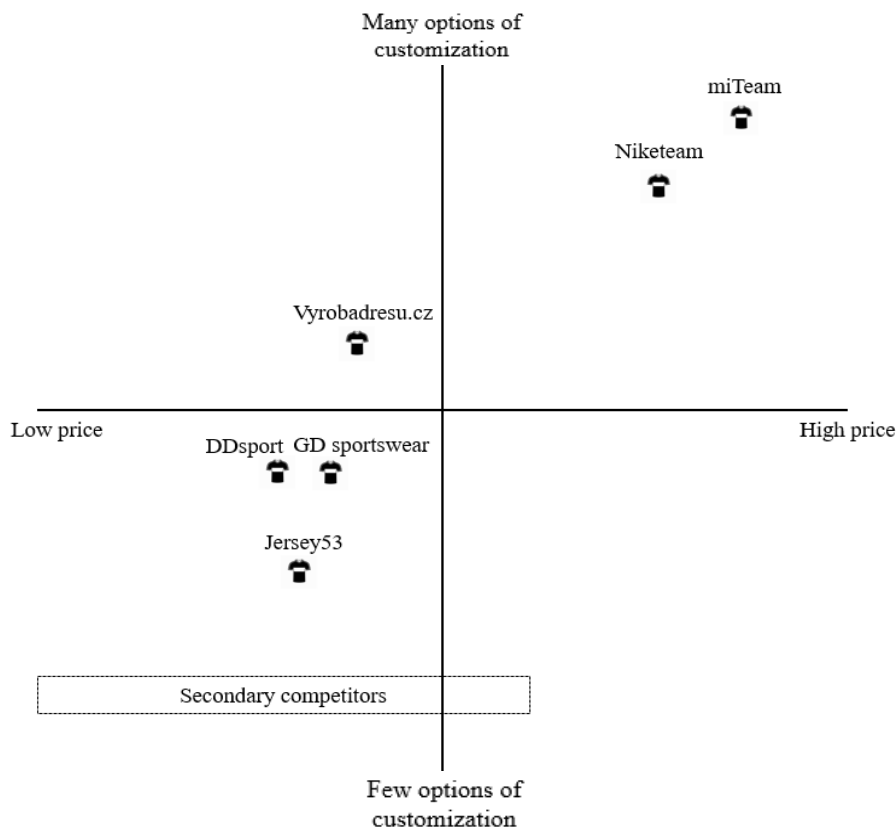

Figure 17: Positioning map   Source: Author (2017)

4.3. Communication Strategy

As introduced in the previous chapter, the strategy will focus mainly on the segment of amateur players playing hobby competitions. Professional clubs are being approached through B2B partners of adidas and this network is strong given the market position of the company. Moreover, adidas has already worked with partners and the only suggestion would be to intensify this cooperation and consider engaging more relevant partners from sport specialists into miTeam. Although, the survey showed that big retail chains are the most preferable among customers, the author suggests cooperating mainly with sport specialists due to their strong focus on certain segments and generally higher customer centricity. Even though the communication proposal will aim at amateur players, it is expected that it will have an overlapping effect and will address decision makers in the leading roles of professional clubs as well.

Since the only activity so far has been informing retail partners about the platform and encouraging them to communicate it to the customers, adidas only used a very subtle push strategy, communicating the platform through retail partners. Within the offline communication, the author would suggest intensifying the push strategy and coordinating sales promotion activities at the points of sales of retail partners. Moreover, a pull strategy will be introduced to arise demand from the market side. It is important that both strategies are integrated and the whole marketing effort will therefore be complex.

It is apparent that online communication will play an important role in the overall communication mix and will significantly contribute to the overall objectives. However, to put the mix into practice and to be able to benefit from it as much as possible, three conditions need to be met. First, the Czech adidas team has to get access to web statistics to be able to monitor and evaluate its online activity. Second, the platform must be responsive to mobile devices, otherwise miTeam could lose a significant number of visits from smartphones. Finally, the Czech team needs to have an access to the Czech version of the platform and be able to change the text content of the website to improve SEO and to get a better control of the platform.

4.3.1. Objectives and key message

As the customer survey showed, the chosen target group has a very low or even no awareness about the platform and right now, it is situated on the very bottom of the Hierarchy of effects, which was presented in the theoretical part. Therefore, the main goal of the strategy should be informing customers about the platform, what it brings to them, what the main benefits are and how to use the platform – to increase product awareness and to educate the customer. The communication effort should arouse their interest and attract them to visit miTeam, where they can try out the platform to see all the options it offers. Finally, this should all lead to the ultimate goal that is increasing sales from the chosen segments.

To convert objectives to a numerical form, the adidas team needs to set expected growth of sales generated during the given period of time. Afterwards, using sales data from the previous year, the number of current users and the conversion rate of current users into buyers, the team can define what increase in new users they need in order to increase demanded sales. Finally, from this information, they can derive how many new unique visitors are supposed to visit the miTeam website to be converted into the demanded number of new users. Therefore, objectives in the numerical form should be defined as follows:

- % increase in sales generated directly through miTeam platform[19]
- % increase in sales generated through retail partners[20]
- % increase of conversion rates from visitors to buyers
- number of new accounts created on the platform in a given period of time
- % increase of conversion rates of unique visitors to users
- number of unique visitors of the platform
- % increase in unique visitors of the platform

However, it is obvious that the Czech team needs to have an access to web statistics to monitor their fulfilment. Therefore, as mentioned in the previous chapter, it is necessary to get access to those data either directly via various analytical tools or indirectly in a way that statistics will be sent to the Czech team on a regular basis (weekly, monthly).

The positioning statement can be also used also as a core message of the communication highlighting the key functional benefits – customization and high quality of clothing - and also the emotional appeal of uniqueness and originality. "*MiTeam will give you a unique opportunity to dress your team with a fully customized top quality adidas apparel and will enable your team to stand out.*" The statement can then be used as a key source for various slogans, which will be communicated to the target group via selected communication channels. The author proposed slogans, which are already being used and fit the communication message as well as new slogans. To keep adidas communication consistent, the slogans are in English and will not be translated into Czech:

- Dress your team up!
- One goal, one look.
- Your team. Your kit. Your way.
- Make your team stand out
- Your team, your design

The author suggests combining offline and online communication tools to convey the key message to amateur players all over the Czech Republic. Due to the importance of integrating of both channels, the communication is not divided into offline and online as in the theoretical part, but combined together to create a complex communication strategy. The author suggests

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[19] A customer will choose adidas at the end of the ordering process
[20] A customer will choose one of the retail partners at the end of the ordering process

setting a one-year plan with two phases of intensive promotion. The time plan will reflect the timeline of amateur leagues, which usually start during September and October for fall season and in February or March for spring. Therefore, the first wave will start in March and will last until the end of June for fall season aiming at introducing the platform and encouraging amateur teams to order uniforms for the upcoming season. The early start also reflects the lead-time of miTeam products of minimum of 45 days. The second wave will begin in September, it will not be as intensive as the first wave and its main goal will be to refresh awareness about the platform and even strengthen it. More specific timeline is available in the last subchapter of the practical part.

4.3.2. Communication mix

Before any communication campaign is started, optimization of miTeam for search engines should be done. The vital activity is to define keywords, which must be included in the content of miTeam. Keywords were identified based on the customer survey conducted among potential customers and based on the output of the online analytical tool SEMrush. The analysis showed that top keywords are the combinations of following words: customized, uniforms, a sport category, production, tailored, sport, team, wear and designed. However, as mentioned in the theoretical part the most obvious keywords such as football uniforms mean high competition since almost every e-shop focused on sport will have a similar combination. Therefore, the chosen keywords should also include long tail keywords such as customized team wear for football.

The Czech adidas team should be allowed to influence the text content of miTeam. First of all, they should be able to change key slogans that are displayed on the home page of miTeam based on keywords selections. For instance, as can be seen in Figure 18, they should be able to replace "mi condivo16 jersey" for "mi condivo16 customized jerseys (dresy na míru)[21]". Afterwards, they should try to incorporate chosen keywords into other parts of the website to make it more relevant for search engines indexing. The optimizing effort should be done constantly throughout the whole year.

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[21] The Czech equivalents are presented since they will be used as keywords

Figure 18: Keywords replacement example   Source: miTeam (2017)

The other way to boost miTeam in search listing is using paid advertising for search engine listing. The author suggests using Google AdWords for SEA, since Google is the most frequently used search engine in the Czech Republic (Novotný, 2015). SEA should increase the number of visitors of miTeam through Google search. To set the search advertising using Google AdWords Express is possible within four steps.

The first step is to choose the location to focus on. In this case, the whole Czech Republic should be chosen, since geography should not present any limitations for using the platform. Secondly, there is a need to choose the product or service that will be advertised. The customized uniforms (dresy na míru) are proposed. Based on this categorization, Google offers a list of keywords, based on which the ad will be displayed in the SERP. The third step is the creation of the ad consisting of two headlines and a brief description. The ad should consist of some of the relevant keywords, it should introduce what customers can expect visiting the website and also consist of a call-to-action aspect. All of these aspects are included in suggestion in Figure 19.
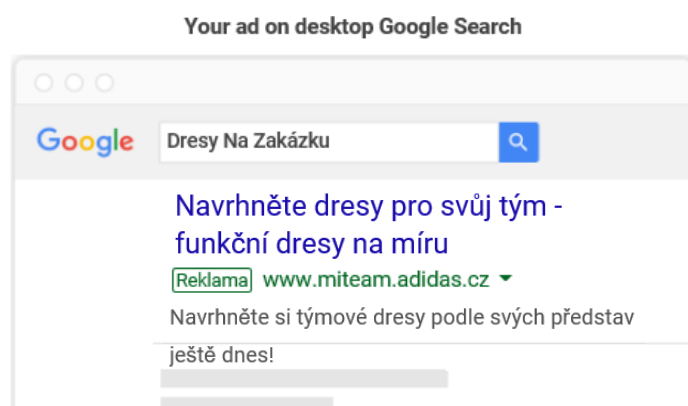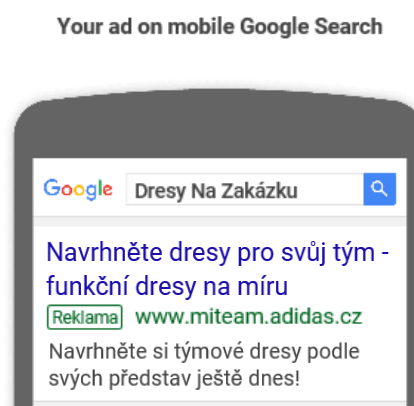

Figure 19: miTeam ad proposal for SEM   Source: Google AdWords Express (2017)

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Finally, a monthly budget, which fees for every click-through will be deducted from, should be set together with a bid for action. It is possible to setup a manual bid or let the software choose it automatically. To set an appropriate bid, it is useful to know the minimum cost per click, for which the ad will pay off. In other words, where it will reach its break-even point. This figure is calculated by multiplying of the conversion per click (CVR) and the added value of a click as it is shown in Equation 1.

$$Break\ even\ CPC\ =\ CVR\ \text{x}\ profit\ per\ conversion$$

Equation 1: Break even CPC   Source: Gagnon (2014)

However, it is necessary to have an access to the web statistics to get profit per conversion, which is not available at the moment. That is why the author recommends automatic bidding. As for the monthly budget, one option would be to take the demanded number of click through based on which Google is able to suggest a monthly budget. However, since there is no historical data, the author suggests using a budget recommended by Google based on a benchmark showing the range within which competitors operate. Given a quite competitive environment, the Google suggests setting 7 000 CZK monthly with an estimation of 1788 to 2982 clicks per month. The key metrics to be measured would be:

- Position of miTeam in the organic search during SEO
- Number of impressions of SEA in SERP
- Number of click through from search engines to miTeam
- Conversion of those visitors to users and buyers
- Return on investment

The core campaign will be held in two intensive periods as it was mentioned the introduction of the strategy. The campaign itself should be called "dress your team up!" (obleč svůj tým!) and should be communicated in both phases through online and offline channels. It will aim at introducing the platform to the audience and engaging the audience by it.

For the first wave, the author suggests using professional clubs, which are all dressed up in adidas. There are good case practises from the other markets, which showed how the cooperation between adidas and professional teams enhanced the awareness of miTeam. The most successful case is a viral video created in cooperation with the New Zealand rugby team All Blacks (adidas Group, 2012). The video showed two rugby stars, Dan Carter and Isratel Dragg, who created their own rugby uniforms and then let other team players choose which

uniform they would prefer to play in, reached almost 500 000 views and can be used as a good example of this cooperation. However, this video only introduced the platform without any bigger engagement of customers except for a call-to-action in form of an invitation to visiting the platform at the end of the video.

The author suggests setting up a competition in cooperation with professional teams with the following scheme. Fans of chosen teams would be invited to design a team wear for their favourite team through miTeam platform with the chance to win a price. They would create an account on the platform, customize how the uniform should look like and deliver the final proposal until a given date. The best proposals would be displayed on the team Facebook fan pages.

Afterwards the players of the chosen club and fans would vote by liking on Facebook and the best proposals would get awards such as free season tickets, adidas shoes or discount vouchers for adidas e-shops. Moreover, the professional team would use the best uniform design for the season and winners of the competition would be presented at the half break of a chosen match at the beginning of the season. To make it even more appealing, the campaign would start with a video invitation of some of key players of chosen clubs creating their own uniforms and encouraging fans to get engaged in the competition. This video would then be posted on the Facebook fan page of chosen clubs and if it is attractive enough, it will go viral.

Any team from any sport wearing adidas can participate. However, the teams with the most potential in terms of reach are the football teams FK Mlada Boleslav, Dukla Praha, SK Sigma Olomouc, FC Baník Ostrava and Bohemians Praha 1905. Those teams have altogether approximately 140 000 fans on Facebook and they should be approached at first place. Moreover, it is believed that by doing a competition with football teams, this would reach also players playing other sports as well. adidas can use the communication channels of the chosen clubs and chosen players (e.g. Facebook, Instagram) to engage as many fans into the competition as possible. To spread the message even further, adidas will approach different relevant sport media with PR articles introducing this unique competition held by adidas and football clubs. For this service, the author suggests using a PR agency, which is cooperating with the company on a long-term basis. To evaluate this campaign following metrics should be followed:

- Increase in unique visitors during first wave

- Increase in number of new sign-ins during first wave

- Increase in the number of orders in a given time period directly via miTeam platform

- Number of visitors coming from channels engaged in the campaign (e.g. accounts on social sites of professional clubs, PR channels)

- Number of views of introductory video

- Number of participants in competition

As a second channel for introducing the platform during the first wave, the author suggests setting up a cooperation with retail partners to communicate the platform together. First of all, it is crucial that all relevant employees of retail partners have knowledge necessary to present the platform and explain its benefits. For this purpose, there is a Czech guideline consisting of all the necessary information, which is already available for partners. Moreover, adidas developed 6 very clear tutorials on how to work with the platform, which are available also on its Youtube channel (adidas Group, 2014). To educate retail partners, it is worth creating a version of the video with Czech subtitles.

Afterwards, the author suggests using in-store communication at point of sales of selected partners and letting customers find out about the platform, letting them try it and feel it. In cooperation with the retail partner, they can define spots where they can place in-store tablets[22] with figurines wearing chosen miTeam apparel. A customer can try miTeam platform on the tablet, he/she can feel miTeam material on the figurine and ask sales assistants any questions about the platform or how it works. Moreover, it can even create a call-to-action and encourage customers to create an account or even create an order in-store. The author would suggest approaching Top4football to target the football segment and stores of Lion sport to cover other sports as well. A mix of those two partners could cover the 2 biggest cities in the Czech Republic and in-store table would be placed in 4 stores. The visualization of such displays is pictured in Figure 20 below.

---

[22] Provided the platform is responsive to mobile devices such as tablets

Figure 20: In-store miTeam display proposal   Source: Author (2017)

Moreover, communication channels of partners engaged in miTeam can be used to convey a message about the platform putting an introduction to their newsletters, using their social sites, placing banners on the websites or publicising PR articles about the on-going competition on their blogs (e.g. Top4football). If in-store communication is installed, the retail partner and adidas can monitor the following metrics:

- Number of store visitors who try the platform
- Number of miTeam visitors coming from communication channels of retail partners and their conversion into new users and even buyers
- Number of new user accounts, which are created during the given period
- Number of new orders which are made through retail partners

As for advertising during the first phase, social media advertising and online display advertising should be implemented. adidas has a global account on Facebook and a local account on Instagram. The author suggests using Facebook advertising for the campaign, since strong majority of all potential customers have Facebook accounts and thus the medium will be the most efficient in terms of the scale of addressed audience. Moreover, Facebook advertising will also reach Instagram profiles, which based on the survey was the other social site used frequently by respondents. Facebook ads should mainly increase awareness about the platform and bring customers to the miTeam website.

To launch the advertising, as the first step the Czech Republic is selected. Facebook enables to target also based on age. Based on the segmentation and targeting defined in chapter 4.2, the author suggests focusing on the age range of 25 - 35. If adidas team have an access to e-mail contacts of players of hobby leagues, they could use the database and target this audience on Facebook directly. This database could be acquired via cooperation with some of the hobby

leagues such as Haunspalská liga or AVL. This would be the most efficient targeting and it is a valuable argument for setting this sort of partnership, which is discussed later in the chapter. However, this kind of cooperation is not settled for now, therefore, the author suggests interest based targeting. Facebook allows adding as many interests as one wishes under the condition that ad would target anyone with at least one of those interests. To make targeting narrower, the author suggests targeting Facebook users who like one of the chosen sports, and at the same time one of the core major sport brands. Moreover, a service called Facebook pixel makes it possible to retarget people who visit the miTeam website during a chosen period of time and retarget them with an ad afterwards. This should be used as well. It is also possible to influence the placement of ads. However, it is recommended to choose automatic placement, which place ads where they are likely to perform. Afterwards, the daily budget is needed to be set, bid and duration of advertising.

The budget for whole duration of the first wave with focus on increasing awareness is set up to 21 000 CZK. Given the selected budget and target audience, Facebook calculates that an ad has a daily potential of reaching 3 200 – 9 300 people. However, this estimation does not include potential traffic generated by retargeting, which is part of the proposed advertising. Same as in case of SEA, bidding will be set to be automatic with the objective to increase product awareness. The creation of an ad is the final step of the process. Facebook enables to choose between five formats of ads. A simply image is the easiest one and will be implemented in this case. Within add creation, the user selects an image, a headline, text to be displayed in the ad and a call-to-action aspect. The example of how the ad could like can be seen in Figure 21.

Figure 21: Facebook ad proposal   Source: Author (2017)

To evaluate the advertising following metrics are recommended:

- Number of impressions of the ad on Facebook
- Number of click through from advertising to miTeam
- Conversion of miTeam visitors into users and buyers
- Return on investment

Online display advertising on relevant pages could significantly contribute to increasing product awareness. Official websites of various amateur competitions are relevant websites for placing miTeam banner in the form of complex partnership or affiliate marketing. The most appropriate pages would be the official sites of the biggest amateur leagues such as Haunspalská liga, Superliga malého fotbalu or AVL. This option is discussed in a later phase of this chapter.

The other option is to use Sklik of Seznam.cz and Google AdWords services for online display advertising. Both services have large contextual network of websites where a potential ad can be displayed. Moreover, they enable to set retargeting of customers who visited miTeam and target them with an ad afterwards. Nevertheless, given the low success rate of display advertising and the fact that it would be difficult to target a relevant audience, the author suggests using services only for retargeting of customers. As for budget allocation, the formula introduced for SEA for break-even CPC can be implemented here as well (see Equation 1). Since there is no web statistics available or competitor benchmark to use, the author suggests setting the same budget as for SEA. This makes 7 000 CZK per month with automatic biding for both. As mentioned in the theoretical part, the banners should have clear message, call-to-action appeal and the company logo as it is shown in Figure 22.
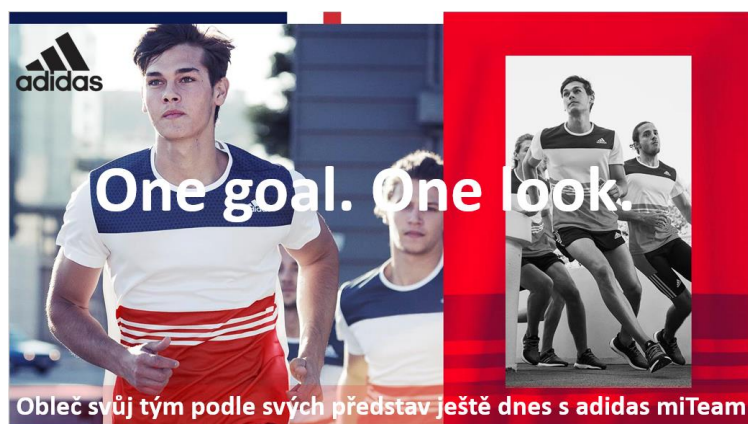

Figure 22: Online display ad proposal   Source: Author (2017)

Metrics to be followed are very similar to metrics that are recommended for Facebook advertising:

- Number of impressions of ad
- Number of click through from advertising to miTeam
- Conversion of miTeam visitors into users and buyers
- Return on investment

The second phase that will start at the beginning of January will not be as intensive as the first wave. The author suggests placing the same in-store communication as in the first wave as well as implementing the same social sites and online display advertising. The only difference in communication will lie in changing the type of the partner for the competition. In this case, adidas will run the second round of competition with chosen amateur leagues.

However, firstly there is a need to set up this partnership in form of sponsorship. It can bring the amateur league additional financial resources, adidas can contribute to awards for best teams with its products or players can get discount vouchers for example. adidas, on the other hand, can use communication channels of the sponsee such as the space for banner advertising on their website, their social sites, their e-mail database or even visit events with road shows presenting miTeam platform and its products. The Football amateur league Haunspalská liga, Golden tour and volleyball amateur league AVL are the most appropriate leagues for this partnership. AVL counts more than 10 000 volleyball players and is the biggest amateur league in the Czech Republic. Golden tour is the football league for companies and their employees. The league is played in Prague, Brno, Plzeň and Ostrava and gathers more than 1200 players. The league is attractive for miTeam because there are players, who represent the target audience from the age perspective. Haunspalská liga, as already presented in the 5Cs situational analysis, has 720 teams, which come to more than 4200 players and it is one of the biggest hobby football leagues in the Czech Republic.

The second round of the competition "dress your team up!" would start with an introduction of the competition to players of the chosen leagues through communication channels of the sponsee. Players would design a team wear for their teams in a given time range and post their ideas on Facebook sites of the sponsee. The team with the most likes would get a discount for their uniform for next season and discount vouchers for other adidas products. To evaluate this part of the second phase following metrics are recommended:

- Increase in unique visitors during second wave
- Increase in number of new sign-ins during second wave
- Increase in the number of orders in a given time period directly via miTeam platform
- Number of visitors coming through channels engaged in the campaign (e.g. accounts on social sites of partners, their newsletters etc.)
- Number of participants in the competition

As it was frequently mentioned in the thesis, the high price of miTeam products may be a disadvantage in the fight for customers from amateur sport players. It is important to communicate the high quality of miTeam products and its wide range of customization options. Both are included in in-store communication activities, which enable customers feel the material of miTeam products and thus recognize its quality. Moreover, they can try the platform in store to see its options with the assistance of sales assistants. Furthermore, stressing the fact that players of professional clubs engaged in the competition during the first wave can point out the quality of miTeam products as well. Additionally, a cooperation with retail partners may enable to set discounts based on quantity, which can thus decrease the price per piece. adidas can also provide buyers of the miTeam products with additional service to compensate the higher price. For instance, customer can get free implementation of personalization features to miTeam products, outsourcing it to the retail partner after products are delivered and all extra costs being paid by adidas.

4.3.3. Timeline and budget

Figure 23 describes the time plan of the communication strategy. Communication will be divided into two phases, where each will take four months. Only SEO activities will be maintained for the whole period. The first phase will start on the 1st of March and finish at the end of June. This time setting is chosen for the following reasons. Frist of all, it will be running during the finishing phase of the football season when the interest of fans is supposed to be the highest. Second of all, it will enable adidas to choose and produce the winning uniform for the upcoming season taking into consideration that it starts in a middle of July and the lead-time is approximately 45 days. Finally, players of the amateur league will have a reasonable amount of time to try miTeam, customize uniforms for their teams and make an order to be ready for the fall season of hobby league starting usually in September or October.
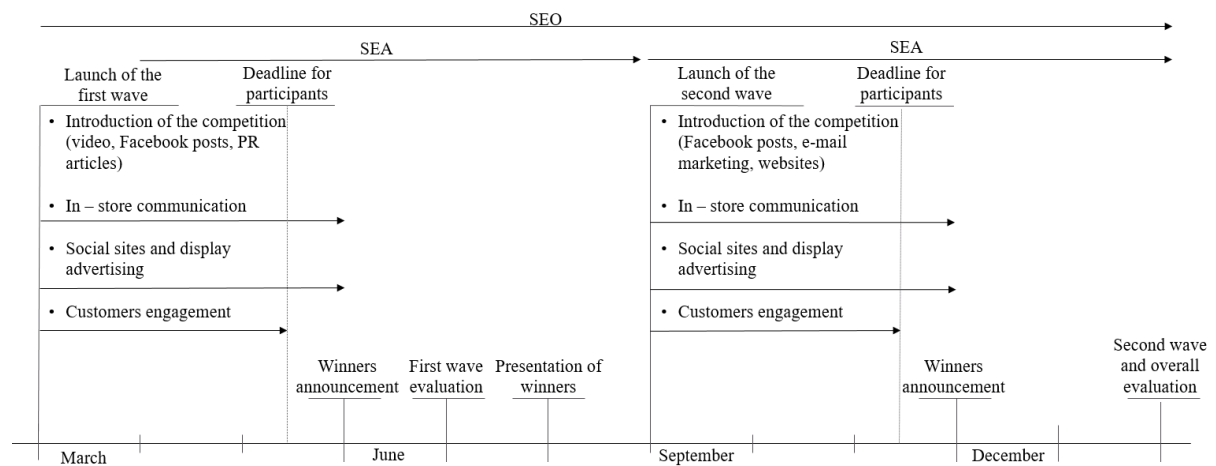
SEO

SEA   SEA

Launch of the   Deadline for   Launch of the   Deadline for
first wave   participants   second wave   participants

• Introduction of the competition   • Introduction of the competition
  (video, Facebook posts, PR   (Facebook posts, e-mail
  articles)   marketing, websites)

• In – store communication   • In – store communication

• Social sites and display   • Social sites and display
  advertising   advertising

• Customers engagement   • Customers engagement

                                                                                        Second wave
                      Winners   First wave Presentation of   and overall
                      announcement evaluation winners   Winners   evaluation
                                                                       announcement

March   June   September   December

Figure 23: Timeline for the exectuion of the strategy   Source: Author (2017)

The wave will start by introducing the competition on Facebook accounts of football clubs, launching Facebook and online display advertising. At the same time, the message will be spread via PR articles and in-store communication installed in chosen stores will be installed. The in-store communication and online advertising will last three months after which the winner of the competition will be announced. Only SEA will start one month later and will last three months longer to capture players who are looking for uniforms before the season via their search engines. Fans will have 10 weeks for creating and uploading their ideas on the Facebook pages of football clubs. Afterwards, there will be 2 weeks for selecting the best proposals and at the end of May the winner will be announced. Additionally, winners will be presented during the half break of a selected match during summer, when the football season starts. After the first phase is finished, the whole campaign will be evaluated to find whether key objectives were met and identify places for improvements.

The second phase will start on the 1st of September following the same schedule as the wave one, which means that the wave will finish at the end of the year. This time range is aligned with fall seasons of hobby leagues during which competition will run and therefore it promises the maximum reach of players possible. The second wave should follow up on the first wave, refresh product awareness and encourage players, who want to dress their team with new uniforms to consider using the platform for this purpose. This time the competition will be announced on the Facebook pages of a chosen league and spread through their e-mail network. Online advertising will have the same time plan as in the previous wave. The second phase will not consist of PR activities and engagement of adidas retail partners will not be as intense as in the first phase except for in-store display. SEA will follow up on the first wave and will run

until the end of January to capture players who would like to buy uniforms for the summer season.

As it can be seen in the timeline in Figure 23, the continuity of communication is not consistent during the whole year and focus is devoted to two waves. Therefore, the budget is pulsing with the biggest investments during those two periods, as it can be seen in Table 6.

Phase	Phase 1						Phase 2							
Activity/months	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Total**	**Share**
Competitions:													**210 000**	**42%**
Video	30 000												30 000	6%
Awards				10 000						20 000			30 000	6%
Sponsorships (3x)	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	12 500	150 000	30%
Online communication:													**196 000**	**39%**
Online display advertising	14 000	14 000	14 000				14 000	14 000	14 000				84 000	17%
Social media advertising	7 000	7 000	7 000				7 000	7 000	7 000				42 000	8%
SEA		7 000	7 000	7 000	7 000	7 000	7 000	7 000	7 000	7 000	7 000		70 000	14%
In-store communication (4x):													**99 000**	**20%**
Tablets	60 000												60 000	12%
Figurines with uniforms	24 000												24 000	5%
Visuals	15 000												15 000	3%
Total	**162 500**	**40 500**	**40 500**	**29 500**	**19 500**	**19 500**	**40 500**	**40 500**	**40 500**	**39 500**	**19 500**	**12 500**	**505 000**	

Table 6: Budget proposal (CZK)   Source: Author (2017)

Since there was no budget range for the strategy nor was there any data provided to base the budget on, the author estimates rough costs using the objectives and tasks method to calculate budget requirements for offline execution. The budget proposal does not contain costs for PR activities since they are provided as part of a complex partnership with the PR agency same as installation of in-store communication and the use of communication channels of partners. Based on the information provided by an adidas employee during the interview, expenses for in-store communication should reach 99 000 CZK for both phases of the communication strategy with in-store tablets being the biggest cost burden. However, except for the visualisation, it will be possible to reuse other parts of in-store communication in the future for other activities. Fees for sponsorship of amateur leagues are assumed to be approximately 50 000 CZK per year per league according to a call interview with a representative of one of the amateur leagues. The difference between costs allocated to awards for competition winners is caused by the fact that for the winners of the second wave adidas will provide them with uniforms they designed which is estimated to be 10 000 CZK for 10 players.

Costs for online execution can be estimated by applying the objectives and tasks method. As it was aforementioned, based on the demanded increase of sales, it is possible to define the increase of conversion rates and estimate how many new visitors have to come via applied online marketing channels. However, to do this evaluation accurately, it is necessary to have an access to web statistics, which are not available. Therefore, the author used competitor parity

method using suggestions provided by Google during the process of the ad creation and set the same budget for other online tools. The online activities will cost altogether 196 000 CZK per year, retargeting activity being the most expensive. In total, the execution of the proposed communication strategy for one year is estimated to cost 505 000 CZK for the given time period.

Conclusion

The main objective of the thesis was to propose the communication strategy for adidas online platform miTeam for the Czech market. The author reviewed current literature, journals and online articles related to relevant topics such as e-business, e-commerce or sports marketing to get theoretical base for the practical part of the thesis. As the significant value added of the practical part, the author firstly considers outputs of the customer surveys and competition analysis contributing both to the overall situational analysis, which has not been done for the platform on the Czech market before and which brings valuable inputs for the Czech adidas team. Secondly, communication mix proposal, which combines adidas strong position within professional sport clubs and retail partners with unexploited potential of the online communication channels.

The theoretical part starts with the general introduction to the marketing strategy to define the role of communication. Theory on situational analysis, which gives an overview about the external and internal environment, follows. Afterwards, the author defined how to do proper segmentation and introduced targeting and positioning strategies. This was followed by an investigation of the creation and execution of the communication strategy consisting of defining its objectives, suggesting the message to be conveyed, proposing the communication mix and estimating the budget needed for the execution. Within the communication mix, the author listed all the relevant communication tools, from which some were selected and proposed for the execution of the strategy in the practical part.

The author conducted two customer surveys to get insights from the market. One survey targeted retail partners of adidas, which were at the same time partners of miTeam and thus represented sales channel for the platform. The other aimed at individuals, who took part in any team sport activity and thus represented the final customers of the platform. The output of the survey helped the author define target segments, their preferences and relevant channels for the execution of the strategy. The most interesting finding of the survey was the fact that strong majority of respondents never heard about the platform. This showed very weak product awareness and was in line with the fact that there has not been any activity done to promote the platform. Additionally, the author mapped the competition landscape analysing five competitors and conducted a SWOT analysis. The former revealed that miTeam products are significantly more expensive than products of chosen competitors but at the same time, it confirmed that customization is miTeam's biggest strength. The SWOT analysis revealed other

strengths as well such as strong network of retail partners, professional clubs and high quality of products.

The overall situational analysis gave author a very good basis for the communication strategy. Based on the customer survey, the author suggested focusing on sportsmen and women at the age from 25 to 35 playing amateur football and volleyball leagues. The given age range was based on the chosen group's willingness to pay a higher price and leagues were defined based on its popularity among the target segment. The author recommended addressing the chosen segments with a positioning statement highlighting the main strengths of the platforms such as: *"MiTeam will give you a unique opportunity to dress your team with a fully customized top quality adidas apparel and will enable your team to stand out."*

The message was recommended to be communicated in two waves combining offline and online communication channels. As for offline communication, the author suggested collaborating with football clubs playing the first football league and with amateur football and volleyball leagues. In cooperation with them, adidas should run the competitions that not only will the platform introduce but also engage the target audience to experience the platform. Additionally to competitions, the author proposed leveraging on chosen retail partners and installing in-store communication at point of sales. Offline execution will be complemented with the communication activities on the Internet, specifically setting search engine optimization and launching search engine, online display and social sites advertising. The whole communication will run for 11 months in two intense phases, the first from March to June, the second from September to December. The whole strategy is estimated to cost 505 000 CZK and is supposed to bring the following results:

- % increase in sales generated directly through miTeam platform[23]
- % increase in sales generated through retail partners[24]
- % increase of conversion rates from visitors to buyers
- % increase of conversation rates of unique visitors to users
- % increase in unique visitors of the platform

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[23] A customer will choose adidas at the end of the ordering process
[24] A customer will choose one of the retail partners at the end of the ordering process

The fact, that the author did not have access to any data relevant for the work such as any web statistics, brought limitations for the thesis in terms of evaluating the performance of the platform, setting numerical values for key performance indicators of suggested communication tools. If this situation does not change in the future, it will be very challenging to apply the suggested strategy given the fact that those data are necessary for implementation and evaluation of the communication. Moreover, accessibility of this data could enable to conduct deeper status quo analysis of the platform and bring other valuable insights relevant for future development of the platform on the Czech market. Finally, for the future research the phone or personal interview with the retail partners should be preferred to the online questionnaire used in the thesis. This method will enable to get more detailed answers mainly when it comes to open questions

Given the communication proposal itself, the author sees two limitations. Firstly, suggested amateur leagues already have partnerships with adidas competitors that may have exclusivity within their contracts. Therefore, it may be difficult to achieve partnership on the demanded level and it is important to monitor the situation about their current partnership and be ready to engage when the opportunity arrives. The author did not find any other amateur leagues of chosen sports that would have such a relevant reach as those which were recommended. Secondly, as it was aforementioned the platform does not belong to focuses of adidas on the Czech market, therefore it may be challenging to allocate the demanded budget for the proposed communication strategy and the team may decide to apply only some of the suggestions in this thesis.

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Abbreviations

4Cs	Consumer, Cost, Convenience, Communication
7Ps	Product, Promotion, Price, Place, People, Process, Physical evidence
5Is	Identification, Individualisation, Interaction, Integration, Integrity
AIDA	Awareness, Interest, Desire, Action
ATL	Above the line
AVL	Amaterskâ Volejbalovâ Liga
B2B	Business to business
B2C	Business to customer
BTL	Below the line
CAGR	Compound annual growth rate
CPA	Cost per acquisition
CPC	Cost per click
CSR	Corporate social responsibility
CTR	Click through rate
CVR	Conversion rate
CZK	Czech koruna
Es	Excitement, Entertainment, Enterprise
KPIs	Key performance indicators
PPC	Pay per click
PR	Public relations
ROAS	Return on ad spend
ROI	Return on investment
SEA	Search engine advertising
SEM	Search engine marketing
SEO	Search engine optimization
SERP	Search engine result page
TTL	Through the line
USD	US Dollar

Source

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Appendix

The customer survey – final customer

1. Do you play any team sport? (2 and more team players)

       a. Yes   b. No *(end of the questioning)*

2. Please name your sport

       a. Football   f. Tennis

       b. Hockey   g. Rugby

       c. Volleyball   h. American football

       d. Basketball   i. Athletics

       e. Floorball   j. Other

3. Do you take part in any team competition?

       a. Yes, professional one *(Next question)*

       b. Yes, hobby league *(Next question)*

       c. No, but we would like to *(Question number 5 follows)*

       d. No *(Question number 8 follows)*

4. Please state the name of the competition you play *(Open question)*

5. Do you have a team uniform?

       a. Yes *(Question number 5 follows)*

       b. No *(Question number 11 follows)*

6. Where did you buy your uniform? *(Open question)*

7. Why did you choose this option for buying the uniform? *(Open question)*

8. Would you be interested in buying a uniform?

       a. Yes *(Question 9 follows)*

       b. No *(Question 11 follows)*

9. How important do you find the following features for choosing your uniform? *(Scale from one to five, one being the most important)*

       a. Width of customization options   d. Lead time

       b. Quality of material   e. Price

       c. Brand of producer

10. How much would you be willing to pay per person for an upper part of a uniform with a team logo, a number and name of a player and wide options of customization, which would be branded (adidas, Nike, Puma, etc.)?

    a. 0 – 400 CZK   c. 801 – 1200 CZK

    b. 401 – 800 CZK   d. 1201 and more CZK

11. Which words or word phrases would you type into the search engine while looking for a shop offering team uniforms on the Internet? *(Open question)*

12. Which sport stores do you visit the most often?

    a. Big retail chains (e.g. A3 Sport, Sportisimo)

    b. Specialized sport stores (e.g. Top4running, Sportfotbal)

    c. Other

13. What is your most favourite sport store? *(Open question)*

14. Which social sites do you spend the most time on? (pick 3 at most please)

    a. Facebook   c. Instagram   e. Twitter

    b. Linkedin   d. Snapchat   f. Other

15. What other sports are you interested in? *(Open question)*

16. Which sources do you use to get information about those sports?

    a. The Internet   d. Newspapers

    b. Magazines   e. Other

    c. TV

17. Do you know miTeam platform?

    a. Yes *(Question 18 follows)*

    b. No *(Question 19 follows)*

18. Where do you know the platform know from? *(Open question)*

19. Age

    a. 14 years and less   d. 36 – 45 years

    b. 15 – 25 years   e. 46 – 55 years

    c. 26 – 35 years   f. 56 years and more

20. Occupation

    a. Student   c. Entrepreneur

    b. Employee   d. Other

21. Gender

    a. Male   b. Female

22. Place of residency

    a. 0 – 5 000 inhabitants   d. 100 001 – 1 000 000 inhabitants

    b. 5 001 – 10 000 inhabitants   e. 1 000 001 and more inhabitants

    c. 10 0001 – 100 000 inhabitants

The customer survey – retail partner

1. How would you evaluate contribution of the platform to your business? *(Scale from one to five, one being the big contribution)*

2. Please fill the percentage share of the following customer groups using the platform.

    a. Legal person

    b. Natural person

3. Which category is ordered by customers the most? *(Ranking from the most to the least demanded categories)*

    a. Football   e. Basketball

    b. Training   f. Rugby

    c. Tennis   g. Handball

    d. Volleyball

4. Where do you see main benefit of the platform for your business? *(Open question)*

5. Do you actively promote the platform among your customers?

    a. Yes

    b. No

6. Which channels do you use for promotion of the platform?

    a. We react to customers´ demand

    b. Our sales assistants approach customers at point of sales

    c. E-mail marketing

    d. Websites

    e. Social sites

    f. Others

7. What improvement would you suggest implementing?

    a. To add new categories – which categories:

    b. To expand product offer – which products:

    c. To expand options of customization and personalization of the platform – how:

    d. Other

8. How are you satisfied with adidas service related to the platform? *(Scale from one to five, one being the best)*